



SUSTAINABILITY REPORT 2021



www.farba.com.tr



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SUSTAINABILITY REPORT 2021



ABOUT THE REPORT

The climate crisis and advancing technology bring along economic, environmental and social regulations in the automotive sector. Parameters such as production activities, raw material supply and social justice in the sector are shaped around the principles of sustainability today. In this respect, we would like to state that as FARBA Otomotiv A.Ş., we strive to adapt to the multifaceted structure of sustainability while following global trends.

We have prepared our first sustainability report in line with our sustainability approach, which we realize with devotion in every aspect of our operations and value chain, in order to convey our activities and current developments in the field of sustainability.

In this report, we, as FARBA, include our sustainability approach and efforts, our management system, the value we attach to our employees, our work in the field of health and safety, social responsibility projects and our activities. We decided to voluntarily prepare our sustainability report in accordance with GRI sustainability standards in order to share it with external stakeholders and the public, with whom we are not in primary proximity. Within this scope, we collect all information subject to sustainability reporting through internal reporting audits. We review the reports, plan improvements in necessary issues and share them with all stakeholders, including internal and external reports, after they are realized.

The sustainability report covers our activities, developments and production between January 1, 2021 and December 31, 2021. As FARBA, we have prepared our sustainability report in accordance with the GRI Standards - Core option. With this report, we demonstrate our contribution to the Sustainable Development Goals and reveal our environmental and social performance. As a result, we explain the goals we have set and the activities we have realized within the scope of sustainability.



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Report Content

The sustainability report covers our activities, developments and production between January 1, 2021 and December 31, 2021.

MESSAGE FROM SENIOR MANAGEMENT



These commitments are essential not only for Farba's survival, but for the survival of all humanity, and they are targets that must be achieved. Each of us must strive to realize these goals and create new solutions.

Dear stakeholders,

Nearly 8 billion people live together on an earth with limited resources and energy. Since the beginning of human history, we have been making full use of the opportunities offered to us by the earth to shape our environment in the direction we desire and to meet our needs. Never before in history have we had so much information and observations to question where the expense comes from or to assess whether it will be enough for us tomorrow.

Today, the vast majority of scientists agree that our current consumption patterns are unsustainable and that at some point the earth's resources will run out, leaving us facing massive famines and mass extinctions.

Measuring and minimizing our impact on the environment is the greatest opportunity we have to ensure our future on earth and preserve our quality of life. To this end, Farba publishes our sustainability strategy and makes a number of commitments to minimize our impact on the environment.

These commitments include targets that are essential for the continuity of not only Farba, but also of all humanity. Each of us must strive to realize these targets and create new solutions.

— **Mehmet Fatih BAYRAKTAR**

BOARD MEMBER

FARBA OTOMOTİV A.Ş.

ABOUT FARBA



OUR VALUES

Honesty and Prestige,
Teamwork,
Innovation,
Proactive Approach,
Customer Orientation,
Responsibility.

Founded in 1979 in Bursa under the umbrella of Bayraktarlar Holding, we rapidly expanded our company with the Koito and Valeo licenses we obtained in 1992 and 2000. We succeeded in becoming one of the main suppliers of automotive Original Equipment Manufacturer (OEM) in Türkiye, and then we aimed to become a pioneering company in the production adventure where we would make significant contributions to the national economy and the automotive industry.

In 2011, we took an important step towards becoming a company on a global scale after acquiring the German start-up odelo. Our Gebze-China and VLE factories were commissioned in a very short time within this growth trend.

In 2018, with the strategic decision of Bayraktarlar Holding management, we started to carry out FARBA brand and activities in our Gebze factory and odelo operations in our Bursa and overseas facilities.

In 2020, we merged our FARBA and VLE companies operating side by side in our campus in the Automotive Supply Industry Specialized Organized Industrial Zone (TOSB) under the FARBA corporate structure.

While aiming for the satisfaction of all our stakeholders, we continue to produce headlights, taillights and electronic Printed Circuit Board (PCB) with our competent employees, advanced technology equipment and machinery parks in our modern facility in TOSB. Under the leadership of our production approach based on sustainability principles, we produce more than 3 million products and more than 12 million boards annually. Our facilities have a total of 12 assembly lines and 25 injection molding machines.

Our facility is built on a total area of 27,000 m², including 7,000 m² Electronics Department and 20,000 m² Lighting Department. With more than 1,000 employees, we continue to be a pioneer and leader in our field.

VISION

To provide innovative technologies and products with high added value to the global market.



MISSION

To sustain the FARBA brand with environmental and social responsibility awareness and new global collaborations, taking into account stakeholder expectations.



SHAREHOLDING STRUCTURE

As FARBA, we serve under Bayraktarlar Group. In 1979, we started the production of headlights and taillights in Bursa, in a facility wholly owned by Bayraktarlar Group. In 1987, we joined Ayger-san Group. In 2011, with the inclusion of odelo Group in Bayraktarlar Group, we became a global manufacturer in the automotive supply industry. Today, we are one of the 8 leading manufacturers of automotive exterior lighting in the world.



FROM PAST TO TODAY HISTORY



1979 - Bayraktarlar Holding was founded with Cibie License.

1992 - We concluded a product-based technical license agreement with Koito.

2000 - We concluded a product-based technical license agreement with Valeo.

2011 - odelo joined Bayraktarlar Holding.

2012 - FARBA Gebze Plant started mass production.

2013 - Our China plants started mass production.

2016 - Our Gebze Plant started headlamp production with Toyota C-HR.

2018 - Gebze Plant was renamed as FARBA Otomotiv A.Ş. Bursa factories changed their legal entity to odelo Türkiye.

2020 - FARBA and VLE merged under the corporate umbrella of FARBA.

2021 - We established a R&D Center

PRODUCTION INFORMATION

LIGHTING DEPARTMENT

As FARBA, we carry out the necessary processes for our products and productions. As a result of these processes, we produce headlamps, taillights and standard products that are important parts for vehicles. While producing these products, we pass our products through plastic injection, aluminum coating, varnish coating and assembly processes.

OUR PRODUCTS

Headlamp

It is one of the most important parts of the vehicles, which is attached to the front of the vehicles, illuminates the road, signals and is a safety part especially at night, revealing the style and identity of the vehicles. It includes low beam, high beam, signal, daylight and parking functions. In the past, the light source in the product was halogen bulbs, while LEDs are mostly used in today's technology. It must comply with international regulations such as United Nations Economic Commission of Europe (EECE) Standards and Society of Automotive Engineers (SAE) Standards. Apart from functionality, it must have geometric tolerances compatible with the vehicle body and visual control conformity.

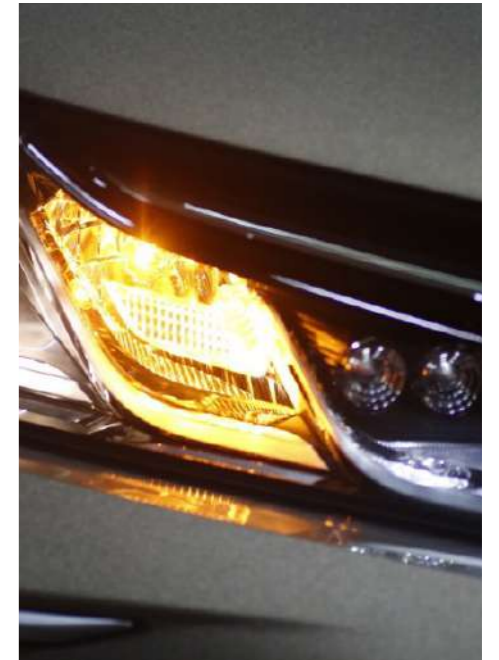


Rear Tail Lamp

It is one of the most important parts of the vehicles that reveal the style and identity of the vehicles, which is attached to the rear parts of the vehicles, allows the vehicle to be seen by the surrounding drivers and pedestrians, to inform the driver's movement and intentions, and is a safety part, especially at night. It includes parking, brake, signal, reverse and fog functions. Depending on the vehicle design, it can be single or two-piece. Today, LEDs are mostly used as light sources instead of halogen bulbs for design flexibility and stylistic reasons. It must comply with international regulations such as ECE and SAE. Apart from functionality, it must have geometric tolerances compatible with the vehicle body and visual control conformity.

Standard Products

They are lighting products that have a single function or multiple functions. They are not designed for a single vehicle. The same product can be used in more than one brand and model vehicle. They are manufactured in accordance with international regulations. They are also products that meet all functional and visual expectations of all customers.



PRODUCTION INFORMATION



PRODUCTION

Plastic Injection Molding

We produce plastic parts such as single-color inner lens, intermediate frame, body, reflector and multi-color rear taillight lenses that we will use in the assembly of the final product by shaping the granular raw materials with plastic injection machine and mold. All of our injection machines, both single color and multi-color, operate with robots.

Aluminum Coating

Plastic parts such as the body and reflector, which are the optical light source, and plastic parts such as the intermediate frame, which provide aesthetic appearance, are coated with micron-thick aluminum in the form of full or partial coating in special machines under high vacuum with one-piece process flow after plastic injection.

Varnish Coating

In order to increase the scratch / UV resistance of the headlamp lenses, the upper surfaces of the headlamp lenses and the inner surfaces of the headlamp and rear stop lenses are coated with special varnish with the help of 6 axis robots with spray method in our facilities in clean room conditions.

Assembly

All the sub-parts we produce in our own factory and other sub-parts we procure from our suppliers are combined in our pre-assembly and main assembly lines, 100% functional test (tightness, photometry, bulb light-up) and visual control are applied in our final test equipment and shipped to our customers.



ELECTRONICS DEPARTMENT

We need different processes according to the structure of the products. The processes used in our current products include Laser, SMT, THT, Manual Assembly, Coating, X-Ray, ICT/FCT, Milling Cutter and final check stages.

1. LASER PROCESS

In this process, a barcode is printed on the boards by laser burning method. Thanks to this barcode, the traceability of the product is ensured. Other processes can also make the traceability of the product according to the board by taking this code as reference. The boards with laser barcodes are automatically loaded into the magazines (carriers) at the exit of the machine with the existing machine system without being touched by hand.

2. SMT PROCESS (SURFACE MOUNT TECHNOLOGY)

SMT Process is a process that includes five important processes. These processes are Printer (Solder Paste Printer Machine), SPI (Solder Print Inspection) Pick and Place (Typesetting), Reflow (Oven) and AOI (Automated Optical Inspection).

2.1. PCB Cleaner: Surface cleaning of PCBs as panels is performed here.

2.2. Printer (Solder Paste Printer Machine) The soldering process is performed here. Under humidity and temperature controls, solder is deposited on the solder islands on the board with a suitable sieve.

2.3. SPI (Solder Print Inspection): The solder applied to the island on the board is tested for height, area, volume, short circuit and offset.

2.4. Pick and Place (Typesetting): SMT materials are placed on the board in this machine. With the verification system, incorrect material placement is

prevented. Materials are fed to the machine quickly and automatically.

2.5. Press Fit/PininPaste: In the SMT process, shrink-fit or through-hole assembly materials are typeset on solder cream.

2.6. Reflow: With appropriate temperature values and appropriate times, the solder on the board is activated and integrated with the solder island and material. Thus, the materials are soldered to the board. The process takes place under nitrogen atmosphere.

2.7. AOI: Three-dimensional automated optical inspection. In this process, a visual inspection of the boards that have finished typesetting or assembly is performed. It checks the presence, orientation, offset, height and solder condition of the materials and reports any errors.

3. THT PROCESS (THROUGH-HOLE ASSEMBLY TECHNOLOGY)

It stands for through-hole assembly technology and the typesetting and soldering of legged materials is performed in this process. We can divide this process into Radial, Axial, Selective Soldering and Pin Fastening.

3.1. Radial: Radial type materials (i.e. where the legs are parallel to each other and to the body, and where there are leg connections underneath the material) are typeset in this process. These materials stand vertically on the board.



3.2. Axial: Axial-type materials (i.e. cylindrical and elongated box-shaped materials with legs coming out of both ends) are typeset in this process. These materials lie horizontally on the board.

3.3. Pin Inserter: The typesetting process of materials such as pins and terminals is performed here. As a result of the typesetting, the pin locks itself into the hole and does not need any soldering afterwards. Soldering can also be performed after this process upon request.

3.4. Manual Assembly: Manual process is applied for materials that cannot be installed automatically in machines. Soldering can also be performed after this process upon request.

3.5. Selective Soldering: Materials that have completed through-hole assembly typesetting or products coming from the manual assembly line are soldered in this process. The soldering process is more reliable and risk-free as it is performed only on the points to be soldered.

4. DISPENSER

It is used to apply protective, adhesive, coating, etc. substances to the desired points on the board according to the customer's request.

5. COATING (CONFORMAL COATING)

In order to increase the resistance of the cards against environmental influences, regional protective coating is applied according to customer

request.

6. X-RAY

Three-dimensional controls of the desired materials and regions of the boards are carried out under X-Ray.

7. ICT/FCT

Electrical and functional tests of the boards are performed in this process. The values, directions, presence, currents, voltages and functions of the materials are checked in this process. LED Tests are applied in the functional test and color, brightness and homogeneity controls are performed.

8. MILL CUTTER

It is used to separate panelized PCBs from each other. This method is safe as it does not put stress on the board.

9. FINAL CHECK

Visual control is performed in this process. Scratches, cuts, deformed boards or materials that may occur on the lines or that may be overlooked are detected through this process.

10. PACKAGING

PCBs are set according to customer requirements and packaged according to customer requirements.

PROJECT MANAGEMENT

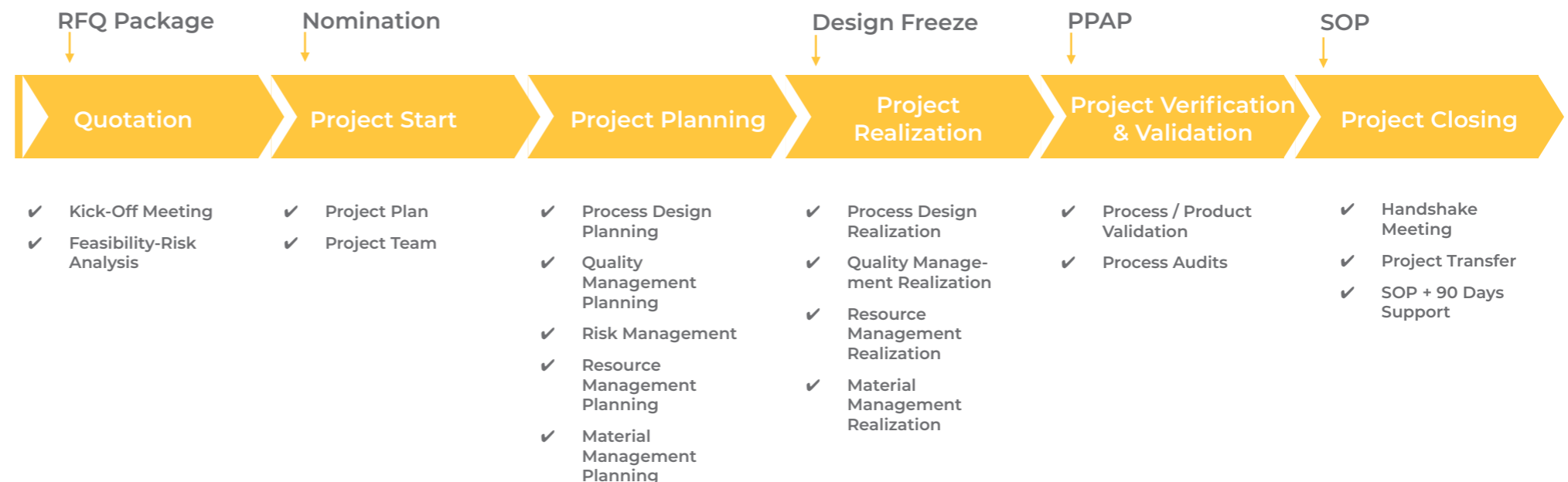
We have integrated the globally recognized Project Management Institute (PMI®) methodology, IATF 16949 and VDA 6 standards applicable to the Automotive Quality Management System into project management processes in accordance with our company culture.



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We have adopted the goal of responding to the needs of our customers with a standards-compliant and customer-oriented project management approach and offering project-specific commercial and technical improvements to our customers as an expert solution partner.

Our project teams consist of multifunctional, competent people with experience in electronic production and process development. Our project teams ensure that the processes and activities that will enable projects to achieve their objectives are planned, realized and approved.



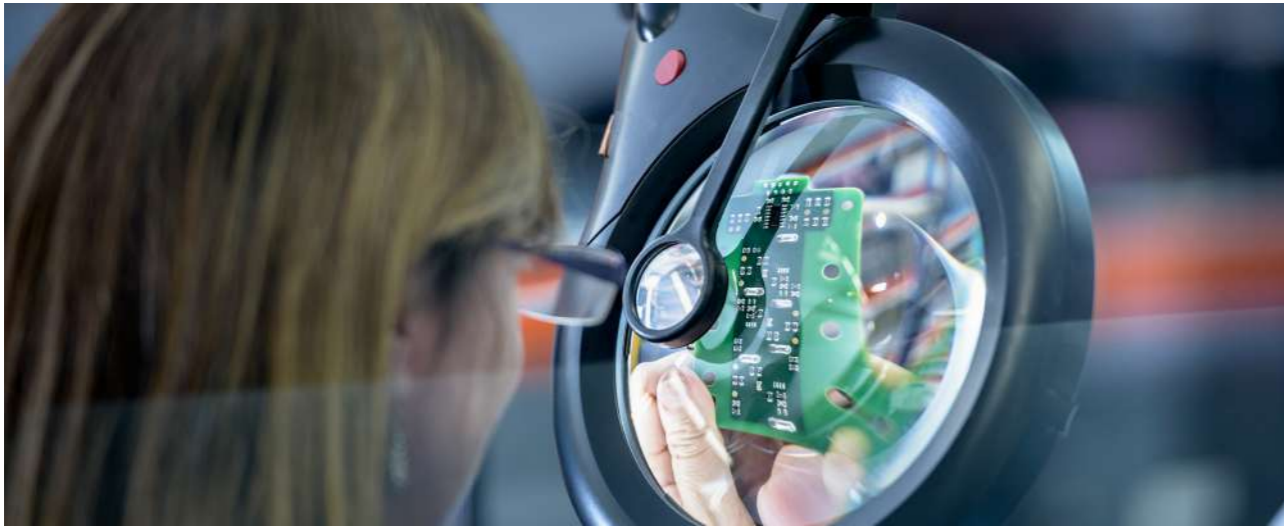
PROJECT MANAGEMENT METHODOLOGY

Project management is an inclusive type of management that includes processes such as project planning, cost determination, budget planning, etc. required for a project to achieve its goal. For this reason, as FARBA, we attach importance to project management processes. Our project management preliminary preparation process starts by proposing the project and conducting the necessary meetings and analyzes. After this process, the project team and plan are prepared to start the project. The "project planning" phase is started to develop the plans. After the planning is completed, the resources required for the realization of the project are allocated. Once the necessary resources and labor are allocated, audits are carried out to verify the project. Finally, with the help of a standard operating procedure (SOP), the project reaches closure.

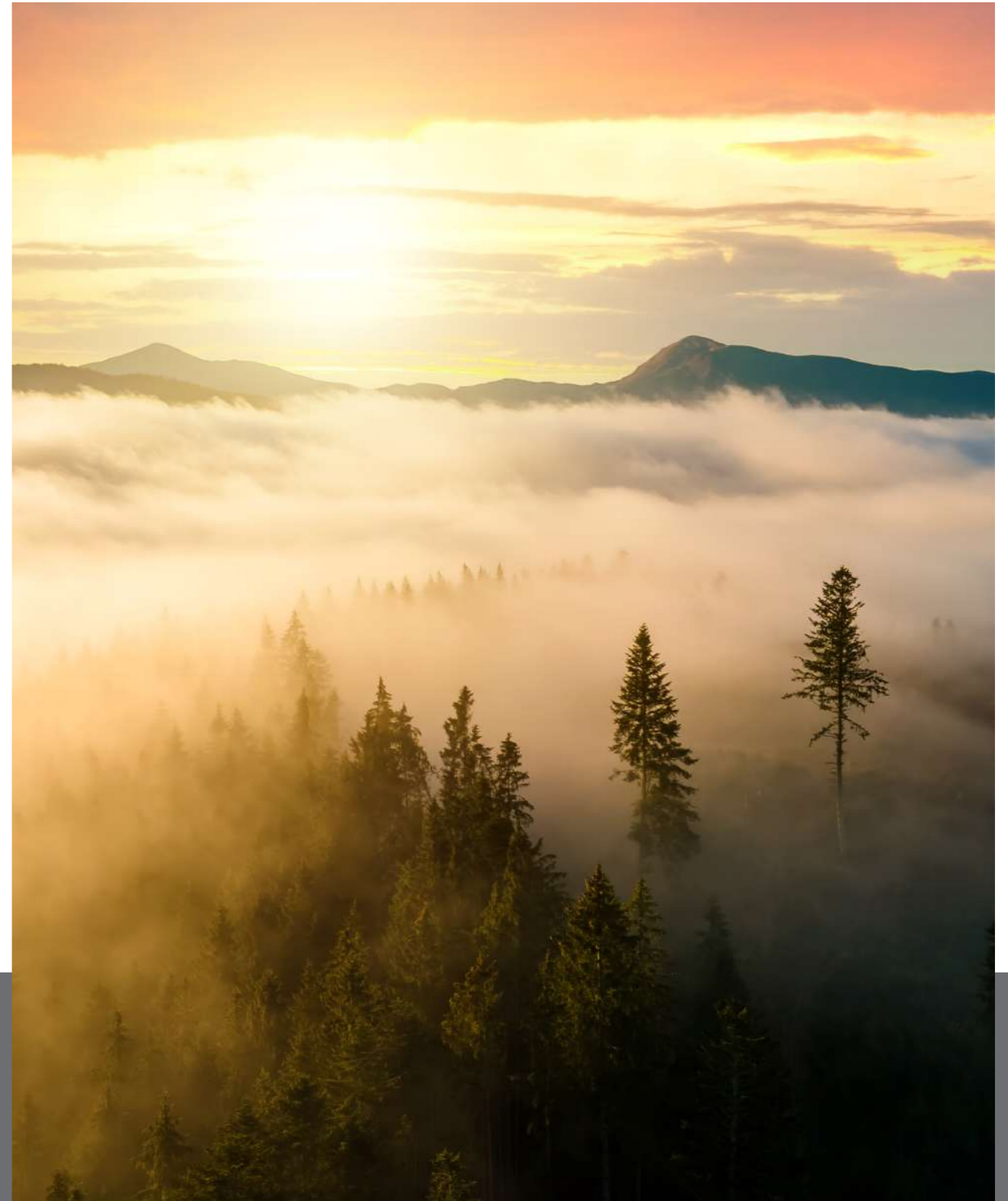


R&D STUDIES

DIGITAL TRANSFORMATION



As FARBA, we care about the satisfaction of all our stakeholders by adopting the goal of continuous development and excellence. In our modern facility in TOSB, we continue to produce headlamps and rear tail lamps with our competent employees, advanced technology equipment and machinery parks. We closely follow the technological developments in the industry and invest in digital transformation projects. For this reason, in 2019, we decided to continue with the new Enterprise Resource Planning (ERP) system, which we believe will bring flexibility and speed to our company. With this new ERP system, we aim not only to digitalize business processes, but also to perform value-added tasks such as planning and costing, to increase your productivity and to carry all transactions that are partly electronic and partly on paper, such as business processes, shift reports, production orders and lists used for tracking or warehouse entries, to the electronic environment. Thus, we both make our data secure and accessible in the digital environment and reduce our environmental impact by minimizing paper consumption.



OUR ACTIVITIES IN 2020-2021



2020

- As FARBA, we signed our declaration of goodwill to embark on a journey of excellence with the European Foundation for Quality Management (EFQM) on 11.02.2020.
- As FARBA Lighting Systems, we joined the National Quality Movement as a member of the Türkiye Quality Association (KalDer).
- As a step towards "R&D center certification", one of FARBA's 2020 strategies, we were audited by university members on June 29-30.
- On July 1-3, we conducted a self-assessment with Mr. Cevdet Özdoğan from the Lean Institute, looking at theory and practice. We will develop our development plans based on the results of this evaluation.
- In the last quarter of 2020, we were subjected to an external audit by TÜV NORD and were awarded the certificate of our ISO 45001 Occupational Health and Safety (2018) - ISO 14001 Environmental Management System (2015) - ISO 50001 Energy Management System (2018) integrated management system.

2021

- The Red Crescent presented a Bronze Medal to 5 of our employees who regularly donate blood.
- As FARBA, we take actions to try to reflect and make our employees feel the value we attach to them at all times. We organize various motivational activities for our employees at the morning service entrances.
- This year, we held our event, where we emphasize the importance of continuous development by sharing the improvement efforts we make every year, under pandemic conditions.
- After a detailed preparation process and audits, our FARBA R&D center certificate was approved by the Ministry of Industry and Technology. From now on, our R&D team will add more value to FARBA by designing new products and processes.
- Successfully Completed Projects;
 - o Canias ERP Project
 - o Automotive Industry Association Award
 - o Acquisition of Toyota Project
 - o Establishment of R&D Center
 - o Toyota Cost Management Achievement Award
 - o Toyota Shipment Management Achievement Award

- We carried out a Jishuken (Kaizen detection and implementation using the basics of the Toyota production system) activity with the Toyota Operation Development unit on our CH-R rear stop assembly lines. With the productivity increase we achieved on our lines, we are ready for the year-end capacity increase without investing. We realized the activity with the participation of our production engineers and line leaders and contributed to their personal development.
- We made a donation to TEMA Foundation on behalf of our 1100 employees for our forest lands damaged due to the fires in our country.
- **We launched FARBA's first proprietary software "PORAC".**
- We received the FARBA R&D Center certificate at a ceremony attended by the Ministry of Industry and Technology.



ISO 9001



IATF 16949



ISO 14001



ISO 50001



ISO 27001

OUR AWARDS and ACHIEVEMENTS



2016 - Ford Gold Star Award

2017 - Automotive Industry Association (OSD) / Subsidiary Industry Achievement Award

2017 - Toyota Motor Europe / "Outstanding Performance Award"

2019 - Toyota Motor Europe Cost and Project Management Recognition Certificate

2019 - Toyota Regional Contribution Award

2020 - Toyota Regional Contribution Award

2021 - OSD Supply Industry Technology and Innovation Award

2021 - FARBA received 2 separate Cost Management and Shipment Management Achievement Awards from TOYOTA

2021 - R&D Center Document

2021 - "0" World Activity Certificate of Achievement



2021 - We have successfully completed the "Zero World" activity that we participated in with the 2021-021-C-HR Far. In the last 1 year, we achieved our zero-defect target in "Safety, Emission, Regulation, A rank defect" (SERA) issues and our customer Toyota awarded us with the achievement award.



ECONOMIC PERFORMANCE

ANNUAL NET SALES

As FARBA, we aim to increase our economic performance every year with the principle of decent work and economic growth through continuous development, which we have adopted since our establishment. In this context, we increased our net sales value by approximately 21.7% from 102,616 million euros in 2020 to 124,977 million euros in 2021.



| Net Sales (Million euro) | 2019 | 2020 | 2021 |
|-----------------------------|---------|---------|---------|
| | 142,093 | 102,616 | 124,977 |

Table 1: Net Sales

CORPORATE MANAGEMENT STRUCTURE

INFORMATION ABOUT THE BOARD OF DIRECTORS AND THE SYSTEM

| | |
|--|-----------------|
| Chairperson of the Board of Directors | Ahmet Bayraktar |
| General Manager | Mürsel Gülen |
| Director (Plant Management-Lighting) | Ali Yaşar Topçu |
| Director (Plant Management-Electronics) | Erol Saltık |
| Director (Technology) | Cüneyt Kurt |
| Director (Financial Affairs and Human Resources) | Muharrem Cengiz |
| Director (Sales and Projects) | İsmail Pektaş |
| Director (Supply Chain) | Huriye Oğuz |

| | |
|---------------------------------------|------------------------|
| Chairperson of the Board of Directors | Ahmet Bayraktar |
| Board Member | Fevzi Bayraktar |
| Board Member | İzzet Bayraktar |
| Board Member | Mehmet Fatih Bayraktar |
| Board Member | Sedat Kılıç |
| Board Member | Mürsel Gülen |

Our Company Audit is conducted by independent auditor Crowe Olgu Bağımsız Denetim ve YMM A.Ş.

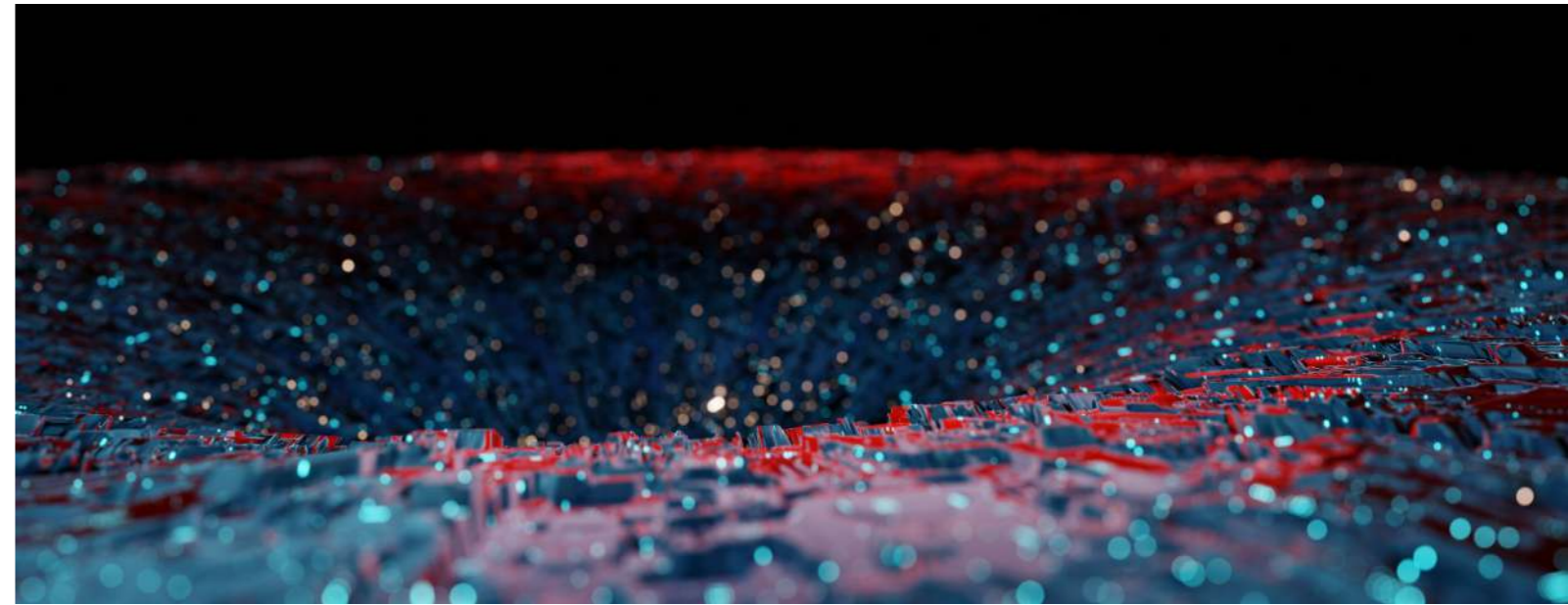
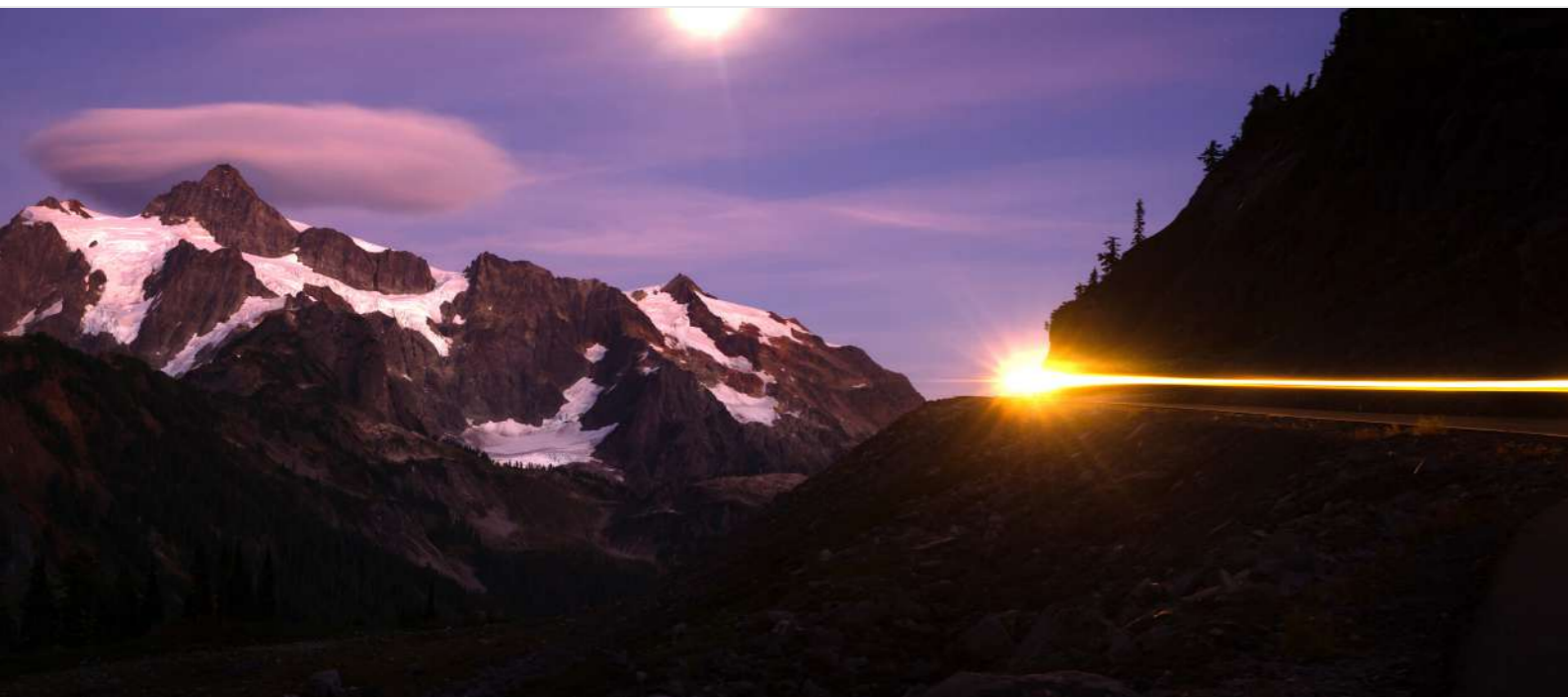
BOARDS and COMMITTEES

ETHICS COMMITTEE

At FARBA, we carry out “Corporate Culture and Ethical Values” studies under the leadership of the General Manager and with the support of the Human Resources department. We review our work with self-assessment once a year and make improvements.

Our Ethics Committee, which reports to the CEO of FARBA, consists of people in the following positions:

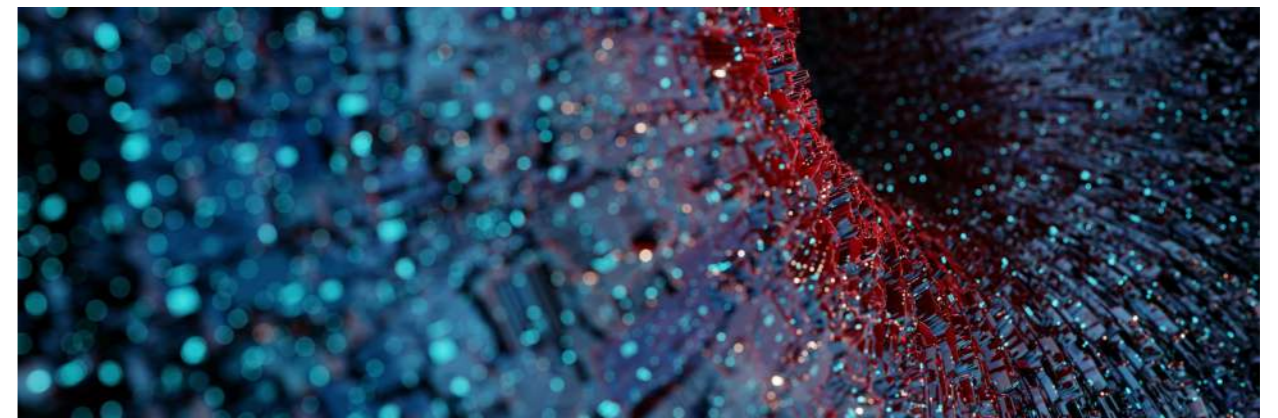
- Ethics Committee Chairperson: CEO / General Directorate
- Ethics Committee Member: Director / Financial Affairs and Human Resources
- Ethics Committee Member: Department Manager / Human Resources and Administrative Affairs



As FARBA, in line with the HR Policy, we report inappropriate and unethical behaviors such as theft, blackmail, threats, harassment, abuse, mistreatment, insult, various injustices, physical assault, mobbing, misconduct to the senior management of all our FARBA employees via Canarias FARBA ERP, Ethics Line.

Incoming notifications are automatically forwarded to our Ethics Committee members through the system. In line with the notification received, action is assigned by the Human Resources department about the relevant person.

In cases deemed necessary regarding the complaints, our Disciplinary Board convenes and decides on the action to be taken.



OUR POLICIES

Policies are abstract theories that can realize or implement certain rules. While creating our policies, we have been sensitive to ensure that they cover all our values. In this context, we have created policies that include occupational safety policies, information policies, quality policies and energy policies. We also subject our policies and the sub-headings of our policies to continuous improvement. For this reason, we support the value we attach to our employees with our policies in order to continuously improve our manpower, which is our greatest strength.

Our Occupational Safety, Environment and Energy Policy aims to ensure that our employees work in a safe and healthy working environment and to minimize damage to the environment and energy systems.

Our Quality Policy aims to prevent product defects in our products and maximize our quality level by preventing the problem at the source. With this policy, we are taking firm steps forward in establishing collaborations with leading companies.



Within the scope of our Information Security Policy, we carry out risk assessment processes for the ever-increasing cyber or physical threats to the confidentiality, integrity and accessibility of information assets. We fulfill our responsibilities to provide the necessary support and contribution to eliminate or reduce the identified risks to acceptable levels.

Our Human Resources Policy consists of practices that protect the rights of our employees and sub-headings that cover the rights of our employees. In this direction, we always keep the scope and content of the Human Resources Policy up to date in order not to lose our most valuable talent, our qualified workforce.



OCCUPATIONAL SAFETY, ENVIRONMENT and ENERGY POLICY

Our priority is occupational safety.

As FARBA, we are committed to providing a healthy, safe and clean environment for our employees, sub-industries, customers and society. In order to achieve our ultimate goals of zero work accidents, minimizing occupational diseases and damages, creating a healthy and safe working environment, using the available energy resources in the most efficient way and ensuring their continuity; we adopt the following as Occupational Health, Safety, Environment and Energy policy;

- To fulfill the requirements of Occupational Health and Safety, Environmental/Energy legislations and the legal and other conditions we are subject to regarding our field of activity in automotive lighting products,
- To ensure that all our employees and related parties adopt the basic duty of not endangering the health and safety of themselves, other employees and visitors through necessary information and training,
- To establish a culture of prevention by systematically conducting risk assessments related to possible dangerous situations and behaviors within the scope of all our activities,
- To ensure the full support and participation of interested parties, employees and employee representatives,
- To continuously increase our level of health and safety, to use energy and natural resources efficiently and to continuously reduce waste by working with a preventive approach instead of solving problems after they occur,



- To prevent work accidents and occupational diseases,
- To take into account occupational safety risks and opportunities, environmental dimensions and energy efficiency in the supply of existing and newly commissioned processes, designs and all machinery equipment and energy itself,
- To act in accordance with all legal regulations regarding the purchase, transportation, storage, use and disposal of hazardous wastes that will occur after the use of chemicals to be used during our production, and to meet the needs and expectations of the relevant parties without using prohibited materials during our production,
- To continuously improve the chemical substances used in accordance with the ever-changing technology and to ensure that they are produced using substances that are harmless to the environment and people in this direction,
- To periodically review our targets in order to continuously improve OHS-Environment-Energy management and performance and to provide all necessary resources to achieve the targets,

We adopt it as Occupational Health, Safety, Environment and Energy policy and we are committed to continuous improvement.

QUALITY POLICY

By aiming for excellence in our business, we aim to produce reliable and durable products that exceed our customers' expectations. In line with this goal, we continuously improve our products and processes with our quality management system by applying and following international standards related to our business. We aim to be among the leading companies in automotive lighting and electronics in the country and to be the company that our customers desire to establish business partnerships in the international market.

With the technological investments and research and development activities we prioritize, we increase our production efficiency and competitiveness every day and use our resources more efficiently. For this purpose, we take into account even the smallest nonconformities, monitor production processes with data, evaluate the changing expectations of our customers and ensure that they are quickly disseminated to all our personnel in order to ensure permanent customer satisfaction.

We care about creating a safe and secure work environment filled with happy employees. We create continuous training opportunities and encourage our employees so that everyone in our organization can become more competent, more knowledgeable and able to use their skills effectively. We support innovative and creative ideas.



We act with the awareness that we can develop long-term strategic business partnerships with our internal and external stakeholders, customers and suppliers as a whole.

In line with all these principles as the key to achieving FARBA quality targets, we commit to all our stakeholders, customers, suppliers and employees that we will strive for 'CONTINUOUS IMPROVEMENT' by fulfilling the requirements of our responsibilities in compliance with laws and regulations.

INFORMATION SECURITY POLICY

With the implementation of this policy, FARBA Senior Management realizes its vision of “to offer innovative technologies and products with high added value to the global market”, while ensuring the protection and continuity of information assets in terms of confidentiality, integrity and accessibility; with the Information Security Management System to be established as one of the requirements of the continuation and development of sustainable competitiveness. We aim and undertake to fulfill the following basic principles, which are necessary to ensure sustainability and sustainability.

- Provision of all necessary resources (infrastructure, process and personnel) for the Information Security Management System,
- Ensuring compliance with the requirements set by the laws of the Republic of Türkiye, regulations, circulars, customer agreements and legal legislation required by the business,
- Ensuring the confidentiality, integrity and accessibility of information belonging to natural persons, our organization or our stakeholders (Customers, Suppliers, Government Agencies) in all cases,
- Providing the necessary support and contribution to eliminate or reduce the identified risks to acceptable levels by performing risk assessment processes for the ever-increasing threats to the confidentiality, integrity and accessibility of information assets,
- Ensuring that information is accessible only to authorized persons, in accordance with the “need to know” principle,



- Providing the necessary support to the plans to be made regarding the development of technical and behavioral competencies in order to increase the information security awareness of all employees and to regularly provide the necessary trainings to contribute to the effectiveness of ISMS,
- Providing the necessary support for the work to be carried out to detect, report, close and prevent the recurrence of all actual or suspected violations of information security incidents,
- Ensuring business continuity and providing all the resources (infrastructure, equipment, personnel) required for continuous access to information at planned levels,
- Ensuring the achievement of the targeted outputs of the Information Security Management System and supporting its continuous improvement.

We will strive to be a leading organization in Information Security in our sector by managing the ISO 27001 Information Security Management System in an integrated manner with all other management systems and Business Processes implemented within our organization.

PERSONAL DATA PROTECTION LAW

With this Clarification Text, we aim to inform you about your personal data processed by FARBA Aydınlatma Sistemleri Anonim Şirketi ("FARBA" or "Company") pursuant to Article 10 titled "Data Controller's Obligation to Inform" of the Personal Data Protection Law No. 6698 ("PDPL") published in the Official Gazette dated April 7, 2016 and numbered 29677, which aims to protect the fundamental rights and freedoms of individuals, especially the right to privacy, in the processing of personal data, and the Communiqué On Principles And Procedures To Be Followed In Fulfillment Of The Obligation To Inform published in the Official Gazette dated March 10, 2018 and numbered 30356.

Your personal data obtained within the scope of your relationship with FARBA (identity and contact information, financial data, data related to our company and cyber security, data related to audits and inspections) are processed for the following purposes;

- Conducting the process of getting to know the customer,
- Managing proposal, contract and order processes,
- Managing the process of evaluating customer complaints,
- Carrying out the invoicing and document issuance process and sharing the data within the scope of this process with FARBA's group companies and the support service provider,



- Conducting company presentations,
- Conducting the transportation process,
- Carrying out the power of attorney process assigned to the Customs Consultant,
- Carrying out the process of recording the contact information of the Customers and Suppliers with whom we cooperate.

You can learn detailed information about PDPL by visiting <https://www.farba.com.tr/kisisel-verilerin-korunma-kanunu/>



HUMAN RESOURCES POLICY

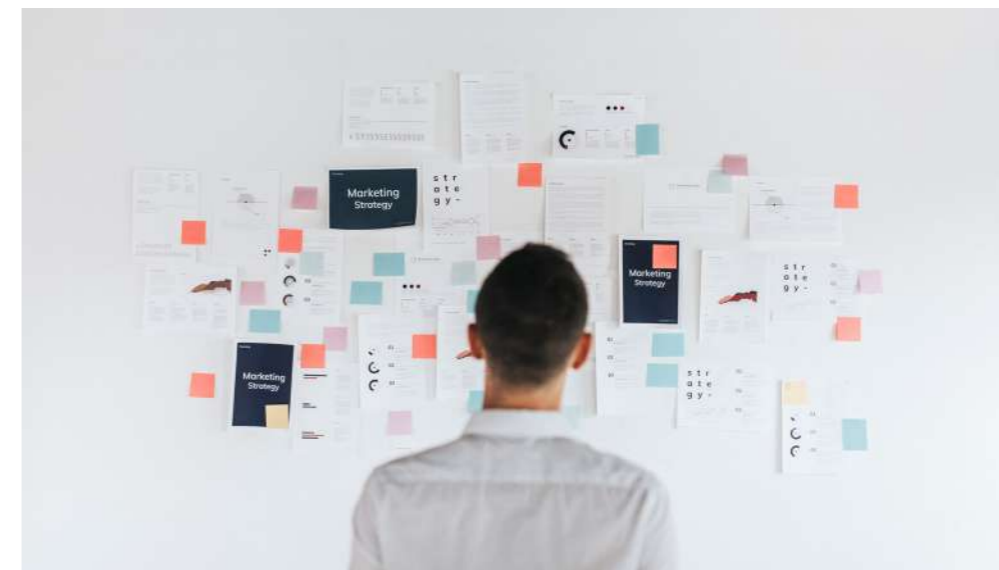
We believe that the most important element of our success and innovative corporate structure is human resources. Our most important asset on the road to success is our employees.

In order to increase the engagement of our employees with a transparent, innovative, inclusive, diversity-oriented, objective perspective in the light of our corporate culture, we, as FARBA;

- Acquire the most valuable talent (quality labor),
- Create opportunities for diversity with inclusive, non-discriminatory and objective criteria,
- Value the creative ideas of our employees and ensure their participation by managing and strengthening communication in an effective and transparent manner,
- With our perspective on the future, develop our employees by providing continuous learning and experience sharing environments both personally and professionally,



- Support them with material and non-material means,
- Provide working opportunities based on our principles of ethical behavior and with an awareness of our social responsibility,
- Ensure that they work in safe, ergonomic environments and succeed in work-life balance,
- Measure employee satisfaction and develop innovative processes for our employees,
- Evaluate the performance of our employees based on objective criteria, recognize, appreciate and encourage them and ensure their promotion,
- Implement all our practices respectful of human rights and in line with the law.



OUR MANAGEMENT SYSTEMS

QUALITY MANAGEMENT

Our Quality Management System aims to standardize the work done in accordance with the “**quality is created on site**” philosophy of measurable, functional and visual controls required at every stage of the process starting from the input product quality and making it error-free with poka-yoke (error prevention) applications.

Our laboratories have thermal, mechanical, optical, chemical and dimensional (3D) measurement capacities that improve product quality in order to meet high quality expectations and minimize problems after sales.

We believe that our new product development process is the most important process in meeting our customers' expectations. We interpret each stage of this process in a customer-oriented manner within the scope of Advanced Product Quality Planning (APQP). We conduct Failure Mode and Effects Analysis (FMEA) applications to identify product and process risks and take actions.

We have ECE, SAE, Taiwan certificates of conformity (COP) to ensure that the products we produce comply with the regulations of the country where they will be shipped.



We have been an IPC member since 2014 and use over 100 standards related to different manufacturing processes as a handbook to meet the high expectations in the production of Printed Circuit Board Assembly (PCBA). From the same point of view, we also ask our suppliers to treat the (Association Connecting Electronics Industries -IPC) Standards as a tool.

We encourage the certification of our employees as IPC Trainers and IPC Experts, so that these IPC standards are understood and easily applied from sub-material input - all the way to the final product.

As FARBA, our failure analyses and inspections are aimed at finding the root cause of failures, thus helping to improve future performance and solve problems and serve as a reference. We conduct Kaizen studies to improve our processes. We have a Reflection system to ensure corporate know-how and utilize this know-how in new projects.

OUR CERTIFICATES

At FARBA, occupational safety and environmental management are among our priorities. We would like to state that we have verified our development in our social, environmental and economic activities under the umbrella of sustainability with ISO certificates. In this context, we have national ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety and ISO 50001 Energy Management System certificates and we have made progress in accordance with the 3 main headings of the concept of sustainability - environmental, social and economic.

We have been committed to providing a healthy, clean and safe environment for our employees, sub-industries, customers and society for many years. In line with these efforts, as FARBA, we have increased our national and international prestige and supported the motivation and creativity of our employees. We have obtained the **ISO 45001** Occupational Health and Safety certificate in order to create a healthy and safe working environment and to ensure the continuity of this safety, which is one of our ultimate goals of zero accidents and to eliminate accident hazards.

We obtained **ISO 50001** Energy Management System certification to avoid non-renewable energy sources, to reduce excess energy use by directing our energy use, to focus on the use of renewable energy sources and energy efficiency efforts.

In order to leave a clean and healthy environment for future generations, we obtained **ISO 14001** Environmental Management System certification in order to increase our efforts to reduce the consumption of natural resources and carbon emissions.



Our aim is to produce reliable and durable products that meet the expectations of our customers by aiming for excellence in our business. For this purpose, we follow the international standards related to our competence and our business and comply with **ISO 9001** Quality Management System: 2015 and **IATF 16949** Automotive Quality Management System: 2016 standards, we continuously improve our quality management system.

We have **ISO 27001** Information Security Management System certification to ensure the protection, continuity and sustainability of the information assets of all our stakeholders in terms of confidentiality, integrity and accessibility.

We have the **Q1** (First Quality) certificate granted to first level suppliers by Ford Otosan.



ISO 9001

IATF 16949

ISO 14001

ISO 45001

ISO 50001

ISO 27001

RISK MANAGEMENT

As FARBA, we ensure that all process risks and opportunities in our activities are identified and managed through our Risk Management structure. Our Risk Management Instructions cover all risks and opportunities, and all departments are responsible for the implementation of these instructions. Stakeholders, internal and external factors are used to identify risk causes. Internal and external factors are standardized so that they can be evaluated in the same way in every process. Internal and External Considerations are the radical changes in the internal and external factors in our environment and the world, the change in sustainable competition conditions and the increasing uncertainties with change.

The external factors to be used as standard are technology, economy, laws, politics, suppliers, customers, competitors, automotive/lighting market and environment. Internal factors are corporate knowledge, organizational culture, values, performance, information system, owned technology facility, objectives/strategy, binding contracts, equipment and management. In addition, another element that FARBA uses when determining the causes of risk is our Stakeholders. We take into account Business and Governance (Shareholders, Ministry of Industry and Technology, Ministry of Industry and Technology, Ministry of Labor and Social Security, Ministry of Environment, Urbanization and Climate Change), business associations, customers, suppliers, employees and society while determining our risks.



Risk management is a discipline that aims to reduce negative impacts to a more acceptable level. We do not ignore the risks that may occur in our company. Therefore, we determine Risk Analyses. With the determination of the analyses, actions are taken for all risks on a 6-point scale in order to reduce risks, and we follow up on the same table. In this way, we create a prioritized risk list. After the list is drawn up, we prepare for the presentation after reviewing and updating the actions created, reviewing the incomplete actions determined for the risk, approving new risks and opportunities by the process owners, adding new risks or opportunities by the team, if any, according to the results of the determined or implemented actions, determining the new risk rating of the relevant risk in the risk tracking report and following up the relevant risk in the risk tracking report.





APPLICATION:

Identifying Risks and Opportunities

Risk Analysis Table

CEO, Department Directors, Process Owners

Risk management is a discipline that aims to reduce uncertainties and the negative effects of uncertainty to a more acceptable level. It is aimed to identify the risks of all processes. Risks and Opportunities are identified in T.KG.01_F.04 Risk Analysis Table. Process risks are defined in coordination with process owners. Risks of the process are determined by taking into account "Stakeholders/Parties" and "Internal and External Considerations". All risks are identified together with their causes. While determining the risks of the processes, opportunities are also identified. If there are opportunities that match the risks, they are written next to the risks. Thus, an instant match is ensured. Risk analysis should include the following elements;

- Internal and external considerations are taken into account.
- Stakeholders/parties are taken into account.
- Risks and their causes are identified.
- Opportunities are identified.

Risk Analysis

Risk Analysis Table

CEO, Department Directors, Process Owners

Probability and Severity scores are determined in the Risk Analysis Table. Risk Score is calculated (See Table - 1 Risk Assessment Matrix).

Identification of Risk Mitigation Decision Actions

Material Risk List

In order to mitigate risks, actions are taken for all risks above 6 scores and tracked on the same table. Departments to cooperate with are identified. The responsible person to follow the action is determined. The action date is determined (See Table - 2 Risk Score and Action).

Monitoring

Risk Analysis Table

Process Owners

The risk monitoring process is handled with a comprehensive broad perspective. It is carried out as a daily and continuous activity. Risk monitoring is carried out to assess that management processes are well managed and risks are minimized. It is monitored by action officers. Meetings are held with those concerned when necessary.

Risk Management review is conducted once a year. (Prior to MR) Actions and new risks and opportunities are discussed. According to the results of the actions determined or implemented in the risk assessment review, the new risk level of the relevant risk is determined in the risk tracking report and followed up. Risk Review items are as follows:

- Reviewing and updating the risks with 6 scores and above in the risk assessment table.
- Reviewing the incomplete actions identified for the risk.
- Approval of new risks and opportunities, if any, identified by the Process Owners, and addition of new risks or opportunities by the team, if any.
- According to the results of the actions identified or implemented, determining the new risk level of the relevant risk in the risk tracking report and following it up.
- Identification of important risks and opportunities to be discussed at the strategy management meeting.

Note: Risks with 9 scores and above, other than the above items, are reported to be presented at the Management Review (MR) meeting.



Risk Analysis Table

Process Owners

Review

Risk Analysis Table

CEO, Department Directors, Process Owners

Risk Assessment Matrix

| | | Impact | | |
|-------------|--------------------|----------------|----------------|------------------|
| | | Low (1) | Medium (2) | Serious (3) |
| Probability | Insignificant 1 | Low 1 | Tolerable 2 | Medium 3 |
| | Medium 2 | Tolerable 2 | Medium 4 | High Risk 6 |
| | Serious 3 | Medium 3 | High Risk 6 | Intolerable 9 |

| Risk Score | Risk Level | Risk Prevention | Process Quality Performance |
|------------|------------|--|---|
| 1 | Negligible | No prevention is required, routine activities continue. | No loss of Customer / Business / Production / Sales / No financial cost impact / No legal requirements / No injury / No environmental damage |
| 2 | Low | Requires Training - Warning | Low loss of Customer / Business / Production / Sales / Low financial cost impact / First aid injury / Temporary Environmental Accident, pollution |
| 4-3 | Medium | Activity planning is expected in the long term (1-2 years) | Loss of Customers / Business / Production / Sales / short-term / Moderate financial cost |
| 6 | High | Measures taken and corrective action expected in the medium term (1-6 month) | High loss of Customers / Business / Production / Sales / High financial cost (100-250 K) / Serious injury / Significant long-lasting environmental accident |
| 9 | Very High | Urgent Corrective action measures are taken and require detailed investigation, planning and implementation (1-4 week) | Extremely high loss of Customers / Business / Production / Sales / Extremely high financial cost (>250 K) Legal Compliance Violation / Government Investigation / Death / Catastrophic environmental accident |

Table 2: Risk Prioritization Table

We examine risks by dividing them into groups as Strategic Risks (SWOT), Financial Risks and Process Risks.

Strategic Risks (SWOT): Strategic risks are identified by department managers at the end of the internal and external environment analysis at the strategy management meeting. The risks and opportunities identified after the strategy management meeting are written in the "risk assessment table". Actions are determined for each risk and monitored by those responsible. Actions are reviewed before the strategy meeting.

Financial Risks: Inflation risk, exchange rate risk, trade receivable risk, insurable risks, raw material risks can be listed as examples. Financial risks are monitored by the Finance Director. Financial audit evaluates whether risks are managed appropriately. Financial audit is conducted by an independent company on behalf of the Board of Directors.

Process Risks (operational, process, environmental, OHS, energy, information management, etc.): This is the identification of the risks of the processes and also includes operational risks. Process Owners identify all risks.

As FARBA, we group the risks that arise as a result of our activities according to their risk scores as insignificant (1), low (2), medium (3-4), high (6) and very high (9). As a result of the grouping, we take action for all risks with a score of 6 and above and follow up on them. At our Risk Review meeting, our priority is the risks with a score of 6 and above. Our CEO separately monitors the risks with a score of 9. When necessary, the responsible department requests the relevant actions from the departments with which it cooperates. Finally, we set the date for the completion of the work.



ETHICS

The approaches required to act in compliance with social norms and expectations beyond the laws are called Ethical Values. As FARBA, we aim to understand and respond to the expectations of our stakeholders in the society in which we operate. We have positioned our principle of Honesty and Respectability in the first place within our Core Values, which are our building blocks and expressed by our founder İzzet Bayraktar. As FARBA, we accept Honesty and Respectability as the most important indispensable principle. It is important for the political management of our company to be able to detect situations contrary to our Code of Ethical Conduct, to immediately notify us of the detected situations and to take action accordingly. In our relations with all our stakeholders, we act in accordance with this value, with transparent standards and mutual open communication. We also ensure that our business partners act in accordance with our ethical principles.



As FARBA, in terms of ensuring compliance with all ethical dimensions in our business and transactions:

- We comply with all legal rules in all business and transactions.
- We conduct all our business in a way that respects human rights (equal opportunities, gender equality, inclusion of differences, decent working environments, protection and support, development and evaluation of their talents, unionization, etc.). We never accept child labor, forced labor, mobbing, harassment and discrimination, etc. and report them immediately.
- We conduct all our business in accordance with our customers (to their satisfaction, transparent, respectful and fair) and their needs (resolving their feedback quickly, transparent in product presentation and content).
- In all our businesses, we create business models that build capacity and support growth for our shareholders and apply corporate governance standards.
- We establish open communication and mutually trusting relationships with all our business partners. We expect our business partners to act transparently in line with FARBA values.

- We adopt and contribute to the United Nations Sustainable Development Goals for the society we live in and feed. We support the community on social and environmental issues. As part of our responsibility to the community and ecosystem, we offer charitable activities and support to our FARBA employees.
- We do not directly or indirectly support any political party, political view or interest.
- Having a sustainable environmental understanding, we fulfill our obligations beyond all environmental legislation within the scope of UNSDGs in the light of the Responsibility value, which is one of the FARBA values.
- We encourage competition in all businesses, comply with all competition laws and expect compliance from all our business partners.
- Bribery and Corruption have no place in our business conduct as FARBA. No employee may offer or accept it. When bribes are offered, they are immediately rejected and reported. All business records fully and clearly reflect the relevant transaction.
- As FARBA, we do not allow conflicts of interest within our organization. We do not allow hospitality, gift giving, etc. that may cause misunderstandings.
- As FARBA, we ensure the confidentiality of all internal information and do not share it with third parties and organizations. We process stakeholder information in accordance with PDPL and apply all legislation.

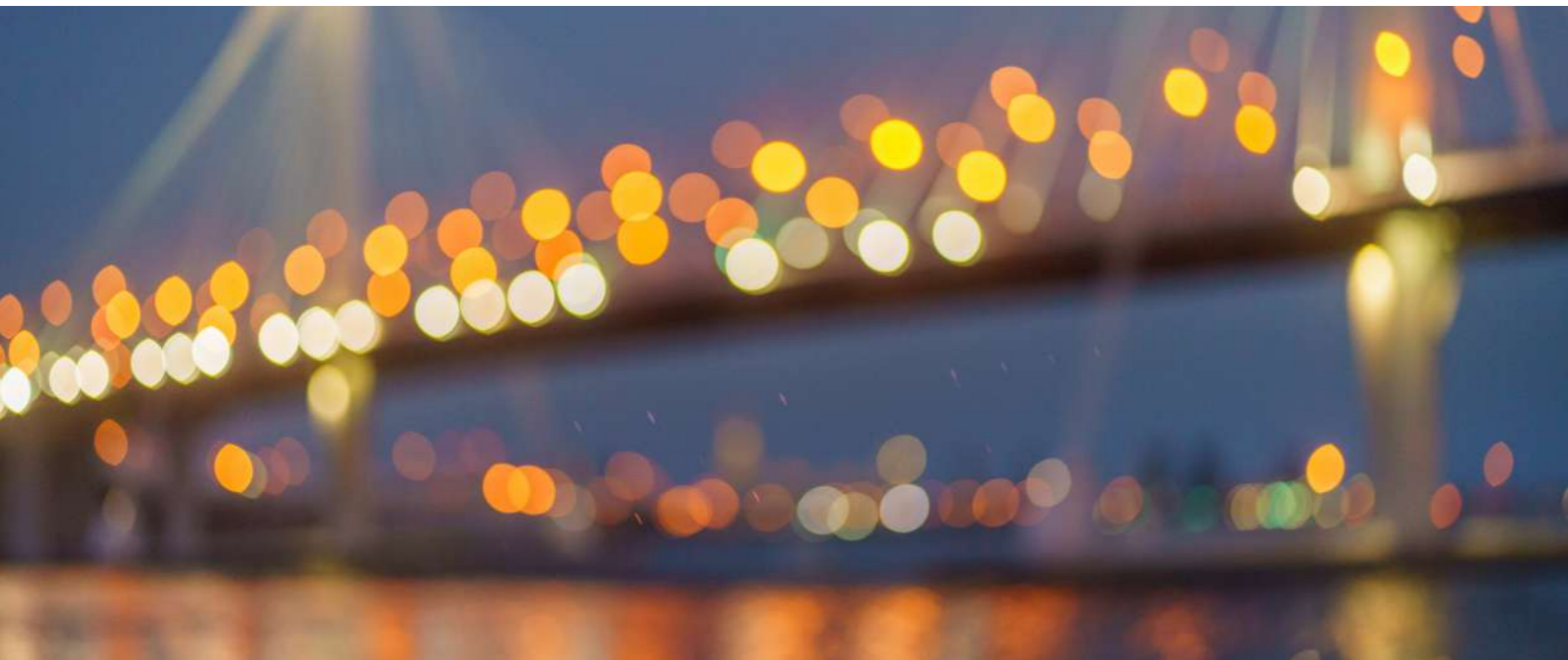
As FARBA, we fulfill the requirements of our responsibilities in line with all these principles, which are the key to ethical business conduct, in compliance with laws and regulations. We ensure that the ethical systematic is operated in a healthy manner in order to ensure ethical compliance. We ensure that all our stakeholders' ethical violation notifications are made in confidentiality so that those who report ethical violations are not victimized and that ethical transactions will be carried out in confidentiality.



SUSTAINABILITY MANAGEMENT

Our Sustainability Committee consists of the Deputy General Manager, Quality Manager, Sales Projects Director, HR Manager and Plant Directors.

The responsibilities of our Sustainability Committee, which is involved in sustainability management, are to determine strategic goals, risks and opportunities related to sustainability, to manage the budget in line with strategies, and to evaluate and resolve the impacts of sustainability goals. Within the scope of our sustainability management, we organize periodic meetings every 3 months and take into account the environmental, social and governance dimensions of sustainability. Our sustainability committee identifies and evaluates risks and opportunities in all processes of our company such as Ethics, Human Resources, Occupational Health and Safety.

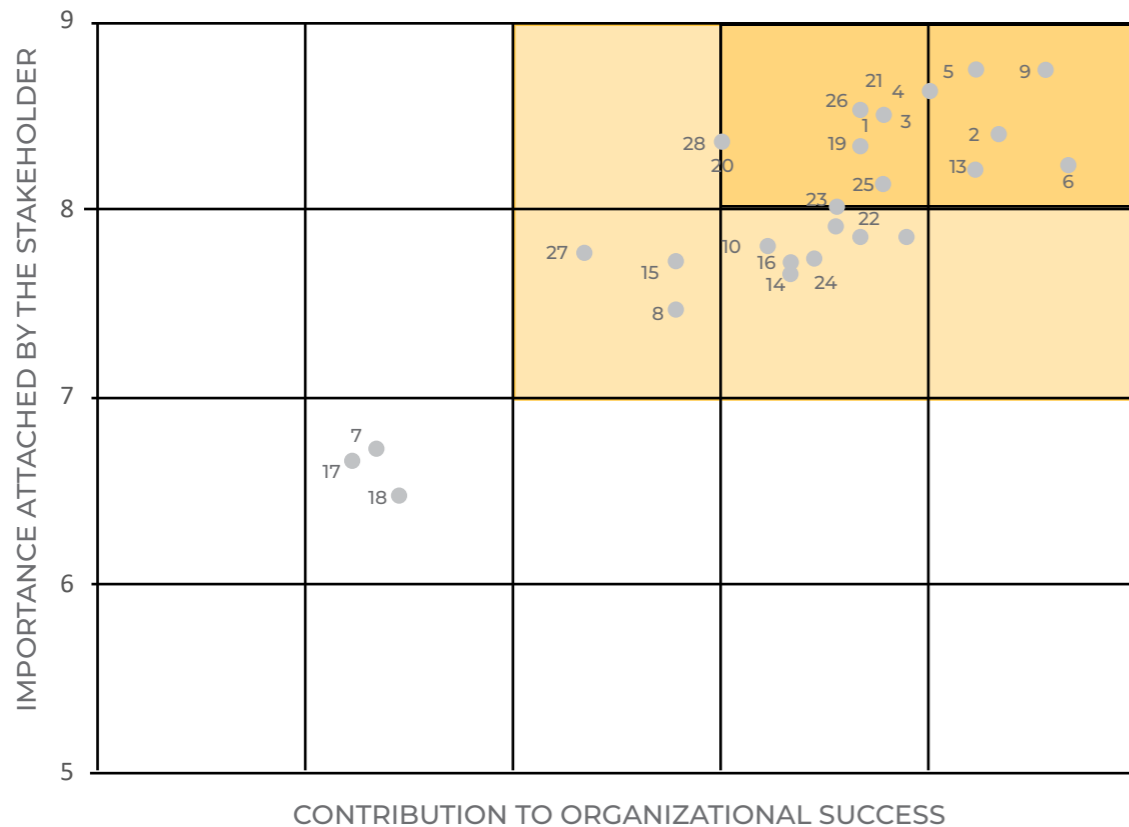


OUR PRIORITIES and SUSTAINABILITY APPROACH

In 2021, with the Stakeholder Analysis and Stakeholder Dialogue study we conducted within our Sustainability Committee, we evaluated our priorities in line with various surveys and the opinions of our stakeholders. As a result of our assessment, we took into account global trends, our partners in internal and external stakeholders, the effects of sectoral risks and opportunities, the opinions of our employees and developments. We also took into account international guiding principles and outputs in the field of sustainable development such as the United Nations Sustainable Development Goals, the United Nations Global Compact and CDP.

According to the results of the survey, in which the strategic importance of material issues for the organization and their importance for stakeholders were evaluated and scored together, we have shown the 28 most prominent issues and all the issues evaluated in our materiality matrix below. As a result of the analysis of the matrix, we have identified our 1st, 2nd and 3rd degree important sustainability issues as FARBA. Energy Supply Security, which is one of our strengths at the top of the 1st degree material issues, is followed by Occupational Health and Safety, Employee Satisfaction and Risk Management.

FARBA MATERIALITY MATRIX 2021



1 Financial Performance · 2 Security of Energy Supply · 3 Corporate Governance · 4 Ethical Principles and Ethical Practices · 5 Risk Management · 6 Customer Satisfaction · 7 Local Community Relations · 8 Environmental and Social Impacts of Investments · 9 Occupational Health and Safety · 10 Water Management · 11 Wastewater Management · 12 Waste Management · 13 Energy Efficiency Management · 14 Climate Change and Greenhouse Gas Management · 15 Contribution to Society · 16 Local Procurement Policies · 17 Biodiversity · 18 Employment Creation in Power Plant Regions · 19 Employee Satisfaction · 20 Employee Performance Management · 21 Employee Training · 22 Employee Career Management · 23 Digitalization · 24 Use of High Technology · 25 Sustainability in the Supply Chain · 26 Grievance Mechanisms · 27 Women's Participation · 28 Equal Opportunity and Diversity

| 1 st Degree Material Issues | 2 nd Degree Material Issues | 3 rd Degree Material Issues |
|--|---|--|
| Financial Performance | Environmental and social impacts of investments | Local Public Relations |
| Security of energy supply | Water Management | Creating employment in Power Plant Regions |
| Corporate Governance | Wastewater Management | Biodiversity |
| Ethical Principles and Ethical Practices | Waste Management | |
| Risk Management | Climate change and greenhouse gas management | |
| Customer Satisfaction | Contribution to Society | |
| Occupational Health and Safety | Local procurement policies | |
| Energy Efficiency Management | Digitalization | |
| Employee Satisfaction | High Technology Utilization | |
| Employee Performance Management | Women's Participation | |
| Employee Training | Equal Opportunity and Diversity | |
| Employee Career Management | | |
| Sustainability in the Supply Chain | | |
| Grievance mechanisms | | |

Table 3: Material Issues

| SDG | Target Descriptions | Main Actions | Key Performance Indicators | 2021 Results | 2022 Targets | 2030 Targets |
|--------|---|---|---|--|---------------|---------------|
| SDG 7 | Renewable - Green Energy Use | Purchase of «Green Energy» system accepted by IREC | Percentage of Renewable Green Energy (compared to total consumption) | 25% reduction compared to 2020 results | 30% reduction | 50% reduction |
| | Reduction of emissions | Generating 10-20% of total consumption from solar energy investments, Increasing the rate of rail and maritime transportation | ISO 14064 Greenhouse Gases and Emissions: Total and unit CO ₂ calculation according to 2018 standard | . | . | 10% reduction |
| SDG 12 | Reducing freshwater consumption | Use of rainwater and recycled water | Total consumption/ m ³ | 18319 m ³ | 5% reduction | 20% reduction |
| | Reduction of all types of waste | Investments in new technologies to reduce carton packaging | Total amount of waste/ ton | Total waste 1922 (tons) | . | %38 |
| SDG 8 | Engagement of the supply chain in SDG actions | Request CO ₂ analysis from major suppliers (get commitments for 2030 and 2050) | Commitment rate (%) (GRI or Carbon footprint report) | - | 23% | 80% |
| | Sustainability audits/ regular Checks | Reporting according to GRI and SDP standards, quarterly audit by senior management | Annual GRI and SDP reporting, Audit by senior management 4 times a year | As a target | As a target | As a target |
| | Reducing complaints on ethics issues | Strengthening the corporate culture with Ethical Principles and Directives | Complaints about ethics and human rights | 0 | 0 | 0 |
| | Employee satisfaction | Safety and ergonomic working conditions | Survey results (%) | 61% | 65,0% | 75,0% |
| SDG 5 | Employee-related objectives | Increasing the ratio of women employees | Proportion of women employees (%) | 10,9% | 11,8% | 15,0% |

Table 4: Targets in line with Sustainable Development Goals

SDG 7: AFFORDABLE AND CLEAN ENERGY



We pay attention to using reliable, sustainable, modern, affordable, accessible and clean energy in our fields of activity. For this purpose, we use "Green Energy" accepted by IREC. We

calculate the percentage of renewable and green energy with the total consumption and comparison method. In 2021, we reduced our energy consumption by 25% compared to 2020. In this direction, our goal is to reduce our energy consumption by 30% in 2022 and by 50% in 2030.

In line with the use of accessible and clean energy, we aim to provide approximately 10% to 20% of our energy consumption from solar energy in order to reduce our air emissions and meet our energy needs from renewable energy. We also aim to reduce air emissions by increasing our rail and maritime transportation capacity in the coming years. Our clean energy use studies will be calculated in accordance with ISO 14064:2018. In line with our calculations, we anticipate a 10% reduction in our air emissions in 2030.

SDG 12: RESPONSIBLE PRODUCTION AND CONSUMPTION



We started to use rainwater and recycled water to reduce the use of clean water in our operations. In 2021, we obtained 18319 m³ of the total amount of water used from recycled water

and rainwater. With our efforts in this direction, we aim to reduce the use of clean water by 5% in 2022 and 20% in 2030.

With the aim of reducing the waste generated from our operations, we ensured the efficient use of cardboard packaging with our investments in new technologies. Our total waste, which decreased compared to previous years, amounted to 1,922 tons this year. We continue our efforts in this direction and aim for a 38% reduction by 2030.

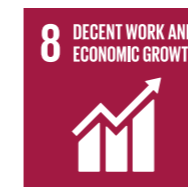
SDG 5: GENDER EQUALITY



As FARBA, we continue our work with the steps we have taken to ensure gender equality by adding female power to our employment power. We

increased our female employment rate by 10.90% in 2021 compared to previous years. We aim to increase this rate by 11.80% in 2022 and 15% in 2030 with our future efforts.

SDG 8: DECENT WORK AND ECONOMIC GROWTH



As FARBA, we continue to increase our employee satisfaction by improving the safe and ergonomic working conditions we offer to our employees every year. We

measure and evaluate the developments we have made with the surveys we conduct with our employees. In 2021, we calculated our satisfaction rate as 61% on average. As a result of our efforts, we aim to increase this rate to 65% in 2022 and 75% in 2030.

As FARBA, while we continue our activities in the light of ethical principles, we also expect our employees to be sensitive in this regard. We strengthen our corporate culture structure with the ethical principles and directive we have created. We continue with zero complaints about ethics and human rights and we aim to carry our success in this area into the coming years. As FARBA, we care about our stakeholders in the supply chain on behalf of

the environment, society and our employees. We take into account that the companies in the supply chain, with which we work or will work, are sensitive about carbon emissions.

We request reporting from companies so that their CO₂ emissions are transparent and traceable. In addition, we are also committed to obtaining commitments from companies in our supply chain to reduce their carbon emissions. In 2022, we aim to reduce supply chain emission values by 23%, while in 2030 we aim to reduce emission values by 80%.

We find the environmental, social and governance interactions in our company very valuable. We are aware of the necessity of sustainability in every area in order to increase these interactions. In this context, we conduct sustainability audits by our senior management at equal intervals 4 times a year through GRI-SDP reports. As a result of these audits, we set the targets for the following year.

ENVIRONMENTAL MANAGEMENT ENVIRONMENTAL MANAGEMENT SYSTEM

As FARBA, we have ISO 14001 Environmental Management System and ISO 50001 Energy Management System Standards. We aim to prevent environmental pollution at its source, to use energy efficiently and to continuously improve the sustainable environmental management system and we are committed to the continuous protection of the environment in line with these objectives. We have an Environmental Management System understanding that believes in the necessity of leaving a livable world to future generations.

In order to raise environmental awareness, we celebrate June every year as “Environment Month” in our factory. We aim to instill environmental awareness through social activities during Environment Month. We aim to reduce the factors that cause environmental pollution through regular social responsibility projects throughout the year. In this context, we collect domestic waste oil and waste batteries collected by our employees at home and send them to recycling facilities in line with legal regulations.



ENVIRONMENTAL PERFORMANCE

In line with our goal of sustainable success, we also fulfill our environmental responsibilities. In line with the Sustainable Development Goals we embrace, we manage and maintain our sustainability goals with firm steps.

We are aware that strengthening our management infrastructure is of particular importance for improving our environmental performance. In this context, we accelerate our decision-making processes by taking into account the economic impacts brought about by environmental risks, and we work to manage environmental impacts within the scope of risk management. Instilling environmental awareness in all our employees and stakeholders and raising awareness on environmental issues are among our priorities.



CLIMATE CHANGE

The economic, environmental and social impacts of the climate change that our planet is facing and the risks arising from these changes are important for all living things and caution is required. Climate change is among the issues that need to be prioritized for the sustainability of business as well as countries. Scientists agree that the cause of climate change is the greenhouse effect caused by human-induced greenhouse gases. CO₂ emissions, which are among the greenhouse gases, cause a significant greenhouse effect on our planet. According to the Türkiye Automotive Main Industry Sustainability Report, a quarter of the greenhouse gas emissions in the EU are emitted by the transportation sector.

In the automotive industry, a significant portion of CO₂ emissions throughout the vehicle life cycle is caused by emissions from products and services provided by suppliers. For this reason, we continue our activities with an environmental management approach that takes into account the life cycle in strong cooperation with our customers. We use energy-saving production equipment and production technologies, select raw materials that cause lower CO₂ emissions, reduce CO₂ emissions in logistics and sales sites, and carry out activities to reduce CO₂ emissions in all areas of the supply chain.



While continuing our activities within the scope of our company, we see the identification of the risks brought by the climate crisis, transition to a low carbon economy, reduction of greenhouse gases and adaptation to changing climate conditions as necessary steps. We consider our corporate sustainability among the priorities of our company. We take the necessary actions to manage our impact areas and ensure environmental sustainability in line with the open communications we have established with our stakeholders and share them with you in a transparent manner.



GREENHOUSE GAS EMISSION VALUES

We work together with our stakeholders both in our fields of activity and in the supply chain to combat climate change. We attach importance to emission reduction activities since the improvements in our emission activities that we will realize in our production processes are the areas where we can create the fastest impact. We contribute to reducing energy consumption and greenhouse gas emissions through our activities. By keeping our emission intensity under observation, we fulfill our responsibility in the fight against climate change.

| ISO 14064-1:2006 Emissions tCO ₂ e | ISO 14064-1:2018 Emissions tCO ₂ e | 2020 | 2021 |
|---|---|-----------|-----------|
| Scope 1 | Category 1 | 920.71 | 798.46 |
| Scope 2 | Category 2 | 7,818.01 | 6,035.75 |
| Scope 3 | Category 3 | 3,013.49 | 2,217.31 |
| | Category 4 | | 10,131.15 |
| | Category 5 | | - |
| | Category 6 | | 15.99 |
| Toplam | | 11,752.21 | 9,051.52 |

Table 5: Emission Data

The greenhouse gas emission value of 11,752.21 tons CO₂e in 2020 was reduced by approximately 29.8 % to 9,051.52 in 2021.



ENERGY MANAGEMENT

Consuming more energy than necessary releases greenhouse gases according to the energy source. For this reason, energy efficiency in production is one of the most important criteria in combating the climate crisis, and efforts to increase energy efficiency reduce greenhouse gases from production, prevent the continuation of the climate crisis and reduce its environmental impacts.

The energy management system studies, which started to be established together with the odelo Bursa team as of the end of 2016, were included in the integrated management systems with the separation of the companies and we started to manage and evaluate them together with the OHS and Environmental Management systems. After the merger with the electronic facility at the end of 2020, we continue to maintain the lighting and electronic facilities within the framework of integrated management systems with a common team. In this context, we have realized many energy improvement projects in 2021.



In order to increase energy efficiency, we aim to reduce energy use through activities such as energy consumption monitoring, efforts to improve energy performance, use of new technology, energy-efficient equipment, recovery projects and increasing the use of renewable energy sources.

It is aimed to prevent unnecessary energy consumption by supplying an air leakage device to detect leakage points throughout the factory, adding flow meters to the lines for compressor air flow monitoring, switching to LED lighting system in all of our shipment ramps and activity points, and efficient energy resource use actions such as automation system.



We carry out analyzer verification studies in order to measure our energy consumption and keep it under control. In addition, we provide savings with thermostat valves installed on heating combs in natural gas usage and increase boiler usage times and efficiency by installing prosestat on boilers.

Thanks to the actions we took, we succeeded in increasing our energy efficiency with the savings activities we realized in areas where our energy consumption is high.

| Emission Causing Activity (GJ) | 2020 | 2021 |
|--------------------------------|-----------|-----------|
| Natural Gas | 13,958.92 | 11,342.91 |
| Generator (Diesel) | 165.89 | 116.06 |
| Company vehicles - Gasoline | 90.26 | 376.33 |
| Company vehicles - Diesel | 803.67 | 906.10 |
| Electricity (Renewable) | - | 15,544.80 |
| Electricity (Grid) | 60,384.09 | 46,618.13 |

Table 6: Emission Causing Activities

In 2021, we generated 15,544.80 GJ of renewable energy.

WATER MANAGEMENT

The climate crisis poses a major threat to the world's water resources. With the gradual decrease in water resources, a large part of the world's population is facing the danger of water scarcity. As stated in the Türkiye Automotive Main Industry Sustainability Report, when the amount of water per capita in our country is calculated, Türkiye is now among the countries suffering from water scarcity. In the automotive industry, we know that water is used for painting and coating vehicles and for the production of by-products.

In line with the reflections of the climate crisis, we adopt a responsible water consumption and management approach in our production activities. With investments, improvement activities and the use of technology, we carry out our water management activities both to increase efficiency in water use and to reuse water.

| | 2020 | 2021 |
|--|-----------|-----------|
| Water Consumption (Mains) m ³ | 18,855.00 | 18,319.00 |

Table 7: Water Consumption

In 2020, we reduced our water consumption by approximately 3% from 18,855 m³ to 18,319 m³.



As FARBA, we meet all our water needs through the mains water provided by the TOSB organized industrial zone. In this way, we can monitor the amount of water we use. While we use 80% of the mains water supplied for personnel needs, we use the remaining 20% as production process water. We use process water, which constitutes 20% of our total water consumption, for periodic maintenance of closed-circuit systems, for preventing possible water leaks, especially in molds and conditioning equipment, and for maintenance activities to reduce water consumption. These processes are also included in our water management activities. As FARBA, we eliminated chronic leaks in our fire extinguishing systems and performed closed circuit water conditioning in order to make our water use more efficient and prevent water leaks.

Although the amount of water available is decreasing every year, our need for water is increasing. We are aware that we need to take steps in this regard. We are starting 2022 with a new goal in water management. By switching to the use of sensor faucets, we aim to improve the water used by our employees by 50% per faucet. In this way, we aim to reduce the total tap water consumption from 450 tons/month to 225 tons/month and reduce the total water consumption used in our factory by approximately 20%-25%.

WASTE MANAGEMENT

We continue our activities by complying with laws and regulations on waste management and energy efficiency, and by working to raise environmental awareness among our employees and stakeholders. We implement our waste management approach according to ISO 14001 Environmental Management System principles. As FARBA, we reuse our wastes generated during our production activities within the scope of the circular economy model through recycling, recovery and disposal.

The circular economy is defined as a system that ensures that products, materials and resources are recovered from recycling and remain in economic value for as long as possible, and that the waste generated is used as input in another cycle, thereby minimizing the production of waste.

| WASTE TRANSFERRED TO DISPOSAL (tons) | Recycled | Separated from Recycling | TOTAL |
|--------------------------------------|----------|--------------------------|----------|
| Hazardous Waste | 0 | 0,29 | 0,29 |
| Non-Hazardous Wastes | 362,88 | 1.558,85 | 1.921,72 |
| Total | 362,88 | 1.559,14 | 1.922,01 |

Table 8: Waste Transferred to Disposal



Efforts to identify and minimize the negative impacts of our operations on the environment are among our primary goals. In this process, we adopt the circular economy model while continuing our activities by continuously improving our systems in order to go beyond what is expected of us by laws and regulations, and to dispose and transform our wastes efficiently.

In line with these activities, we collect recyclable paper-cardboard and nylon packaging generated as a result of production separately and recycle them by giving them to licensed companies. We separate hazardous and non-hazardous wastes on site and give them to licensed disposal companies. We ensure that the wastes generated within the factory are disposed of without directly harming the nature.



OCCUPATIONAL HEALTH and SAFETY

As FARBA, providing a safe work environment for all our work, continuous improvement and fulfilling our environmental responsibilities are among our primary goals. We aim to achieve excellence in OHS culture through proactive practices and occupational health and safety activities throughout the year. By organizing trainings that include our employees as well as our stakeholders to increase the level of OHS awareness and consciousness, we ensure that the OHS culture is established and widespread in line with our action plan.

We review and record our OHS policy every year with the participation of senior management. Four occupational safety specialists work in two separate facilities, namely the Lighting Plant and the Electronics Plant. We communicate our occupational health and safety policy to our personnel and publish it on our internal bulletin boards and official website. ISO 45001 Occupational Health and Safety Management System, an effective OHS management system: 2018 certificate, which is an effective OHS management system, we protect our employees, our most valuable asset, and proactively prevent potential risks. In this context, we aim to increase organizational resilience and create a safer working environment for our employees.



OCCUPATIONAL SAFETY MANAGEMENT

Our occupational health and safety culture has a structure that always aims forward as a result of the reinforcement of pioneering practices and activities in the sector in line with legal regulations with the support of senior management.

The occupational health and safety activities carried out have ensured that the number of occupational accidents in the enterprise has decreased every year and that we are one step closer to our goal of zero occupational accidents and zero occupational diseases every year.

For this purpose, we emphasize the sensitivity and seriousness of occupational accidents with the activities we carry out throughout the year.

Occupational Safety Month Activities: Every year, we celebrate February as “Occupational Health and Safety Month” at FARBA. During the Occupational Health and Safety Month, we carry out occupational health and safety practices and projects aimed at raising the awareness of our employees, and we ensure that the fact that occupational health and safety will be strengthened with the contribution of all our employees is adopted. By organizing the activities to include both our employees and their families, we ensure that this culture is instilled.

Stop6 Field Audits: By creating a machine-based business risk map based on six main accident factors, we prevent the possibility of accidents by identifying the risks that may occur beforehand by conducting “Stop6 Field Audits” every week with an annual audit plan that includes senior management.

We aim to prevent awareness and business blindness by forming the audit teams by bringing together the employees of the departments within the enterprise with the principle of cross audit.



Hazard Prediction Training (HIT) and Hazard Prediction Level Determination (KYG)-Occupational Safety Training System:

In addition to the trainings we provide in line with the legislation, we aim to adopt the occupational health and safety culture with more specific trainings, the KYT-KYG training system, which we aim to increase the hazard prediction skills of our employees, during the execution of the work in the workplace, we aim to teach the systematic and scientific studies carried out in order to identify the health effects of the hazards created by working conditions and technical equipment with a Stop6 perspective and to create a better working environment.

| OHS Performance Indicators | Total Working Hours per Year | Work-related injuries | | Serious injuries | | Work-related deaths | |
|----------------------------|------------------------------|------------------------|----------------|------------------------|----------------|------------------------|----------------|
| | | Employee (Full number) | Ratio of Total | Employee (Full number) | Ratio of Total | Employee (Full number) | Ratio of Total |
| FARBA | 1,552,927 | 17 | 10.95 | 0 | 0 | 0 | 0 |
| Subcontractor | 158,450 | 7 | 44.18 | 0 | 0 | 0 | 0 |
| Total | 1,711,377 | 24 | | 0 | 0 | 0 | 0 |

Table 9: OHS Performance Indicators



As FARBA, we completed our 1,710,429 hours of working time in 2021 with our working staff, consisting of 1,552,927 FARBA staff and interns and 158,450 subcontractors, by preventing possible serious injuries and work-related deaths with the OHS culture we aim to achieve excellence and the OHS activities we implement. In 2021, unforeseen work-related injuries accounted for approximately 11% of our total employees with 17 employees within FARBA, while this rate was calculated as approximately 44% with 7 employees within the scope of subcontractors. In this context, we try to prevent the recurrence of work-related injuries caused by unforeseen risks with our root cause analysis procedures that we carry out in our post-accident follow-up process.



SUPPLY CHAIN MANAGEMENT

At FARBA, we have a strong supply chain management from design to spare parts to meet our customers' expectations. We have created a flexible, stable and balanced structure to respond quickly to changing market demands.

- AVL / QPL Management
- PCN Management
- Compliance with Customer Requirements (AEC-Q components)
- ERP System
- EDI Connection
- Automated storage for components, Kardex
- FIFO
- Moisture Sensitive Component Management
- Consignment Stock
- Full Traceability for shipments and packaging contents
- JIT - Just in Time Production
- Third party logistics
- Inventory management



- After-sales production

We assess sustainability risks in the supply chain not only for our own operations but also for the stakeholders in our supply chain. We continue our operations by monitoring and managing the social, economic and environmental impacts that may occur in our supply chain by using proactive methods and creating the necessary action plans in advance.

We monitor and evaluate the performance of our suppliers in line with the criteria we set. We work to raise awareness among our suppliers that their achievement of the performance and implementation levels in the targets set is a development factor for their own areas of scope. We identify social and environmental risks in our supply chain through effective and comprehensive audits and support our suppliers in improving their performance through the development methods we have prepared.

We have a total of five criteria that we apply monthly and annually in our procurement unit: monthly performance evaluation of supplier sub-industry, annual performance evaluation of service sub-industry, and quarterly performance evaluation of cost reduction, material price monitoring and raw material price monitoring.

Our criteria;

1. Monthly Performance Evaluation of Suppliers (Monthly)
2. Performance Evaluation of Service Supply Industry (Annual)
3. Cost Reduction Performance (3 Months)
4. Performance of Price Increased Material Tracking (3 Months)
5. Raw Material Price Monitoring Performance (3 Months)

| Purchasing Performance | 2019 | | | 2020 | | | 2021 | | |
|------------------------|-----------------------------------|---------------------------|---------------------------|-----------------------------------|---------------------------|---------------------------|-----------------------------------|---------------------------|---------------------------|
| | Number of Contracts (Procurement) | Paid on Due Date (Number) | Paid on Due Date (Rate-%) | Number of Contracts (Procurement) | Paid on Due Date (Number) | Paid on Due Date (Rate-%) | Number of Contracts (Procurement) | Paid on Due Date (Number) | Paid on Due Date (Rate-%) |
| | FARBA | 119 | 119 | 100 | 112 | 112 | 100 | 106 | 106 |
| Total | 119 | 119 | 100 | 112 | 112 | 100 | 106 | 106 | 100 |

Table 10: Purchasing Performance

We do not work with contracted organizations and/or supplier candidates who are known to bribe on the grounds that it is not in line with our ethical values as FARBA.

We tried to overcome the problems we experienced in the supply chain with alternative solutions. During the Covid-19 period, we created location lists and closely followed their processes.

| Number of Suppliers | 2019 | 2020 | 2021 |
|--|-------|-------|------|
| Total (direct + indirect) | 862 | 845 | 820 |
| Domestic | 404 | 380 | 365 |
| Evaluated according to Social and Environmental criteria | 0 | 0 | 0 |
| Evaluated according to social criteria | 0 | 0 | 0 |
| Evaluated according to environmental criteria | 12 | 20 | 28 |
| Termination of employment due to non-compliance with Social and Environmental Criteria | 0 | 0 | 0 |
| Procurement Amounts (€) | 2019 | 2020 | 2021 |
| Total (direct + indirect) | 61 M | 58 M | 93 M |
| Domestic | 20 M | 18 M | 19 M |
| Evaluated according to Social and Environmental criteria | 0 | 0 | 0 |
| Evaluated according to social criteria | 0 | 0 | 0 |
| Evaluated according to environmental criteria | 1,4 M | 1,2 M | 1 M |
| Termination of employment due to non-compliance with Social and Environmental Criteria | 0 | 0 | 0 |

Table 11: Number of Suppliers

As FARBA, within the scope of the sustainable and sensitive supply chain that we aim to provide, the number of suppliers that we evaluated according to environmental criteria increased by 133% from 12 in 2019 to 28 in 2021. In addition, our total supply amount, both direct and indirect, was 61 M € in 2019, while it was calculated as 93 M € in 2021. In this context, we achieved an increase in our supply amounts and the number of our targeted sustainable and environmentally friendly suppliers in 2021.



OUR EMPLOYEES

EMPLOYEE TRAINING and DEVELOPMENT

Our employees at all levels of the organization receive training that will contribute to their technical and individual development in line with organizational requirements, company goals, individual goals and personal development needs. Every year, in light of the results of performance measurement and evaluation, we determine the trainings to be taken during the year on a company/ department/ employee basis and create a training plan in line with the training needs analysis that emerges as a result of interviews with department managers. In the event that priorities change and new needs arise, we also include unplanned trainings for all our employees in the Annual Training Plan.

In line with the corporate culture and strategies and Human Resources policies, we determine training and development needs according to the requirements of the job within the framework of individual performance and competency assessment results. Our trainings commence with the orientation process and continue with various trainings for personal development, knowledge and skills, and performance improvement. We have divided our company's training activities into internal and external trainings. In-house trainings kick off with the selection of internal trainers and are structured according to their qualifications and technical knowledge. External trainings include training programs conducted jointly with independent consultant companies.

We aim for employees to improve themselves in their current and future positions through training provided in line with their needs. We receive feedback from our employees regarding the training they receive and we always evaluate this feedback in the trainings to be given in the following process. We also organize language training courses with foreign language training institutions at FARBA in order to improve the foreign language level of our employees.



SELECTION and PLACEMENT

Our Human Resources Department makes a fair and objective evaluation and ensures that the selection and placement process is carried out in accordance with the company culture.

The recruitment process starts with the identification of needs. Every year during the budget period, we make manpower planning on a departmental basis and determine the number of employees planned to be recruited during the year on a departmental basis. In addition, we recruit replacements for employees who leave during the year for various reasons.

We accept job applications from different sources such as e-mails, websites, career portals or suggestions from our employees. After reviewing the applications, we conduct competency-based interviews, personality inventory tests and English tests according to the position. Interviews are conducted by department managers and our Human Resources Department. Our Human Resources Department makes a job offer to the suitable candidate. We complete the recruitment process with the candidate completing the necessary documents and starting work on the specified date.

PERFORMANCE MANAGEMENT

With the Performance Management System, we aim to reduce our strategic corporate goals to individual goals and to ensure the success of the organization and at the same time to ensure higher performance of our employees. Our employees work to realize their individual goals within the scope of FARBA goals. After the performance evaluation period held every year, we offer our employees different career paths and reward our employees in parallel with their success.



CAREER PLANNING and SKILL MANAGEMENT

Career development of our employees is among the priorities of our company. We make our employees in our talent pools ready for assignment to a higher position. For vacant positions, we prioritize our employees with the competencies and qualifications appropriate to the requirements of the position. We ensure that the professional development of our employees and the business objectives of our companies are appropriately aligned.

In order to achieve success on this path, it is one of the goals and duties of our Human Resources department to support, monitor and evaluate the development of our employees, and to create horizontal and vertical development opportunities with their contributions to themselves and the organization.

We support and guide our employees who want to start or change direction in their careers, and who want to have the knowledge, skills and abilities to support them in reaching their target job, through internal and external trainings and development programs provided by our company.



REMUNERATION and FRINGE BENEFITS

While determining the salaries and benefits of our white-collar employees, their competencies, the duties and responsibilities they undertake, their education and work experience are taken into consideration. In remuneration increases, we ensure a competitive remuneration structure by taking into account inflation development, sector remuneration data, and performance evaluation results. Remuneration increases for our Blue-Collar employees are based on the Collective Labor Agreement.

Our remuneration package consists of position-based salary, premium, bonus, travel allowance, private health insurance, company phone and company car. We have enriched our leave policy with additional leaves added to the legal leave periods, taking into account employee needs. We also offer lunch and shuttle services on various routes for the transportation of our employees.



EMPLOYEE SATISFACTION SURVEY APPLICATION METHOD

Employee satisfaction (ESS) is measured once a year in April-May by the Human Resources Department using a survey method. We apply the employee satisfaction survey to all our employees in the same period and using the same method. We conduct and report the survey independently through third parties. The application period of the ESS is 2 weeks.

1. We have the ESS conducted independently by 3rd parties through 3rd party platforms.
2. We make an agreement with the relevant 3rd party for the year in which the survey will be implemented in the ESS, we make preparations for employee satisfaction, employee engagement and corporate culture surveys, after giving approval to the 3rd party, we make platform preparations.
3. We send the platform link sent by the third party to all personnel via SMS with an explanation.
4. We give our employees a period of 2 weeks and when the specified time expires, we terminate the survey by having the platform closed by the 3rd parties.
5. Department-based scientific-based survey solutions are reported to FARBA by 3rd parties.



EQUAL OPPORTUNITY and DIVERSITY

Equality of opportunity is an abstract theory that states that people should start life with equal opportunities and that everyone should have equal opportunities, protecting the rights of our employees and offering equal conditions to all our employees. Since equality is a theory that can be divided into many different areas, as FARBA, we attach importance to the concepts of treating people fairly and without prejudice in the social and economic field, promoting diversity and protecting human dignity. In this context, we focus on ensuring that all our employees have an inclusive work environment.

As FARBA, we act with the awareness of the importance of Equal Opportunity and Diversity in our recruitment processes, all our working levels and fields of activity. We attach importance to equal opportunity and diversity among our employees. In this context, we observe a fair distribution for all our work from our recruitment process to the continuation process, from the continuation process to the dismissal process, without discriminating language, religion, race and gender. In this direction, we continue our efforts to contribute to the fairness of our company.

| Number of Employees by Gender and Age | 2019 | | 2020 | | 2021 | |
|---------------------------------------|--------------|------|--------------|------|--------------|------|
| | Female | Male | Female | Male | Female | Male |
| Over 50 Years | 1 | 7 | 1 | 5 | 2 | 7 |
| Between 30-50 Years | 75 | 483 | 82 | 568 | 82 | 612 |
| Under 30 | 56 | 483 | 36 | 409 | 32 | 323 |
| Total (by Gender) | 132 | 973 | 119 | 982 | 116 | 942 |
| Total | 1,105 | | 1,101 | | 1,058 | |

Table 12: Number of Employees by Gender and Age

In line with Goal 5 Gender Equality from the Sustainable Development Goals, we aim to increase our female employee ratio from 10.9% in 2021 to 11.8% in 2022 in the short term and to 15% by 2030 in the long term.

| Employees by Category | 2019 | | 2020 | | 2021 | |
|-----------------------|--------------|------|--------------|------|--------------|------|
| | Female | Male | Female | Male | Female | Male |
| White Collar | 58 | 204 | 52 | 212 | 50 | 218 |
| Blue Collar | 74 | 769 | 67 | 770 | 66 | 724 |
| Total (By Gender) | 132 | 973 | 119 | 982 | 116 | 942 |
| Total | 1,105 | | 1,101 | | 1,058 | |

Table 13: Employees by Category

| Executives | 2019 | | 2020 | | 2021 | |
|---------------------|-----------|------|-----------|------|-----------|------|
| | Female | Male | Female | Male | Female | Male |
| Over 50 Years | 0 | 4 | 0 | 2 | 0 | 3 |
| Between 30-50 Years | 2 | 11 | 4 | 25 | 2 | 18 |
| Under 30 | 0 | 0 | 1 | 1 | 0 | 0 |
| Total (by Gender) | 2 | 15 | 5 | 28 | 2 | 21 |
| Total | 17 | | 33 | | 23 | |

Table 14: Executives

| | Number of Positions Opened | | | Number of Internally Filled Positions | | | Rate of Filling within the organization | | |
|--------------|----------------------------|------|------|---------------------------------------|------|------|---|------|------|
| | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 |
| FARBA | 86 | 28 | 68 | 13 | 4 | 13 | 15% | 14% | 19% |
| Total | 86 | 28 | 68 | 13 | 4 | 13 | 0 | 0 | 0 |

Table 15: Number of Positions Opened and Internally Filled by Year

CORPORATE SOCIAL RESPONSIBILITY

In the region where our factory is located and in our domestic activities, we act with a sense of social responsibility, lead efforts to protect the environment, and contribute to raising public awareness through training and information activities.

PROJECTS

We value social responsibility projects, we meet with schools, employees, foundations and families in this field and we carry out studies in areas where we can help and support them. In 2020, as FARBA, within the scope of FARBA Social Responsibility and Promotion month, we held a seminar on Water Consumption Awareness and Environmental Awareness for our employees by Izmit ISU General Directorate Human Resources and Training Department. We hosted the families of our employees in our company within the scope of "Social Responsibility and Promotion month" activities. We will continue to periodically host the families of all our employees in our company.



On March 8, International Women's Day, all our employees and their families participated in our events. With the events we organize to celebrate the "International Women's Day" of working women, we fulfill our social responsibility and show the value we attach to our employees.

At FARBA, we value celebrating our employees on special occasions and making them feel special. On Women's Day and Mother's Day, we showed this care and celebrated the precious dates of both our employees and the whole society without neglecting them.



Our workplace doctor Yusuf Ziya Demiralay provided training to Hatice Bayraktar Vocational and Technical Anatolian High School students on General First Aid, Hygiene and ways to protect against COVID-19. In order to take precautions against the Covid-19 pandemic, we distributed "Hygiene Sets" within the scope of the security measures taken by our company.



Evde kal sağlıklı kal.



In 2021, with the "Life Fits Into Home" drawing contest we organized specifically for Responsibility Month, we observed how our children both evaluated the agenda and how they adapted to the new normal by reflecting their imagination on this issue.

As FARBA, we reflect the sustainability of our country and the value we attach to nature in all our projects. We made a donation to the TEMA Foundation on behalf of 1100 employees for our forest lands damaged by fires in many parts of our country.



As FARBA, we value sustainability and social projects in education and training. We have provided computer support to Körfez Nene Hatun Primary School by targeting the satisfaction of all stakeholders using our continuous development and excellence goal. As part of our University-Industry cooperation efforts, we signed a cooperation protocol with Kocaeli University Technology Transfer Office. Abdullah Kanca Vocational High School instructors visited the Electronics Facility for training and on-site learning.

OUR ACTIVITIES

- Company Technical Visit Organizations (Universities, technical high schools)
- Afforestation and Environmental Awareness Activities
- Blood Stem Cell Donation
- Visits to Child Protection Institution etc.
- Meeting the needs of Hatice Bayraktar Ind. Vocational High School



ANNEXES

PERFORMANCE TABLES

ENVIRONMENTAL PERFORMANCE INDICATORS

| ISO 14064-1: 2006 Emissions tCO ₂ e | ISO 14064-1:2018 Emission tCO ₂ e | 2020 | 2021 |
|--|--|-----------|-----------|
| Scope 1 | Category 1 | 920.71 | 798.46 |
| Scope 2 | Category 2 | 7,818.01 | 6,035.75 |
| Scope 3 | Category 3 | 3,013.49 | 2,217.31 |
| | Category 4 | | 10,131.15 |
| | Category 5 | | - |
| | Category 6 | | 15.99 |
| Total | | 11,752.21 | 9,051.52 |

| Emission Causing Activity (GJ) | 2020 | 2021 |
|--------------------------------|-----------|-----------|
| Natural Gas | 13,958.92 | 11,342.91 |
| Generator (Diesel) | 165.89 | 116.06 |
| Company vehicles - Gasoline | 90.26 | 376.33 |
| Company vehicles - Diesel | 803.67 | 906.10 |
| Electricity (Renewable) | - | 15,544.80 |
| Electricity (Grid) | 60,384.09 | 46,618.13 |

| | 2020 | 2021 |
|--|-----------|-----------|
| Water Consumption (Mains) m ³ | 18,855.00 | 18,319.00 |

| WASTE TRANSFERRED TO DISPOSAL (TONS) | Recycled | Separated from Recycling | TOTAL |
|--------------------------------------|---------------|--------------------------|-----------------|
| Hazardous Waste | 0 | 0.29 | 0.29 |
| Non-Hazardous Wastes | 362.88 | 1,558.85 | 1,921.72 |
| Total | 362.88 | 1,559.14 | 1,922.01 |

SOCIAL PERFORMANCE

| Employees by Location | 2019 | 2020 | 2021 |
|-----------------------|--------------|--------------|--------------|
| Domestic | 1,105 | 1,101 | 1,058 |
| Foreign | - | - | - |
| Total | 1,105 | 1,101 | 1,058 |

| Employees by Category | 2019 | | 2020 | | 2021 | |
|-----------------------|--------------|------|--------------|------|--------------|------|
| | Female | Male | Female | Male | Female | Male |
| White Collar | 58 | 204 | 52 | 212 | 50 | 218 |
| Blue Collar | 74 | 769 | 67 | 770 | 66 | 724 |
| Total (by Gender) | 132 | 973 | 119 | 982 | 116 | 942 |
| Toplam | 1,105 | | 1,101 | | 1,058 | |

| Employees by Employment Type | 2019 | 2020 | 2021 |
|------------------------------|--------------|--------------|--------------|
| Full Time | 1,105 | 1,101 | 1,058 |
| Part Time | 0 | 0 | 0 |
| Total | 1,105 | 1,101 | 1,058 |

| Number of Employees by Duration of Employment | 2019 | | 2020 | | 2021 | |
|---|--------------|------|--------------|------|--------------|------|
| | Female | Male | Female | Male | Female | Male |
| 0-5 Year | 103 | 766 | 79 | 656 | 45 | 335 |
| 5-10 Years | 29 | 194 | 40 | 312 | 71 | 589 |
| 10 Years and Over | 0 | 13 | 0 | 14 | 0 | 18 |
| Total (by Gender) | 132 | 973 | 119 | 982 | 116 | 942 |
| Total | 1,105 | | 1,101 | | 1,058 | |

| Executives | 2019 | | 2020 | | 2021 | |
|---------------------|-----------|------|-----------|------|-----------|------|
| | Female | Male | Female | Male | Female | Male |
| Over 50 Years | 0 | 4 | 0 | 2 | 0 | 3 |
| Between 30-50 Years | 2 | 11 | 4 | 25 | 2 | 18 |
| Under 30 | 0 | 0 | 1 | 1 | 0 | 0 |
| Total (by Gender) | 2 | 15 | 5 | 28 | 2 | 21 |
| Total | 17 | | 33 | | 23 | |

| Members of the Board of Directors | 2019 | | 2020 | | 2021 | |
|-----------------------------------|----------|------|----------|------|----------|------|
| | Female | Male | Female | Male | Female | Male |
| Over 50 Years | 0 | 4 | 0 | 4 | 0 | 4 |
| Between 30-50 Years | 0 | 2 | 0 | 2 | 0 | 2 |
| Under 30 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total (by Gender) | 0 | 6 | 0 | 6 | 0 | 6 |
| Total | 6 | | 6 | | 6 | |

| Employee Turnover Rate | 2019 | 2020 | 2021 |
|------------------------|------|------|------|
| | | | 100% |

| Training Hours | 2019 | 2020 | 2021 |
|-------------------------------------|------|------|--------|
| Total Training Hours | - | - | 17,728 |
| Average Training Hours per Employee | 100 | 23 | 16,76 |

| Maternity Leave | 2019 | | 2020 | | 2021 | |
|--|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male |
| Number of Employees on Maternity Leave | 3 | 0 | 3 | 0 | 1 | 0 |
| Number of Employees Returning to Work after Maternity Leave | 3 | 0 | 3 | 0 | 1 | 0 |
| Number of Employees Who Returned to Work After Maternity Leave and Worked for At Least 12 Months | 3 | 0 | 3 | 0 | 1 | 0 |

| Employees by Gender | 2019 | 2020 | 2021 |
|---------------------|--------------|--------------|--------------|
| Female | 132 | 119 | 116 |
| Male | 973 | 982 | 942 |
| Total | 1,105 | 1,101 | 1,058 |

| Number of Subcontracted Employees by Gender | 2019 | 2020 | 2021 |
|---|-----------|-----------|-----------|
| Female | 28 | 28 | 30 |
| Male | 29 | 29 | 29 |
| Total | 57 | 57 | 59 |

| Number of Employees by Gender and Age | 2019 | | 2020 | | 2021 | |
|---------------------------------------|--------------|------------|--------------|------------|--------------|------------|
| | Female | Male | Female | Male | Female | Male |
| Over 50 Years | 1 | 7 | 1 | 5 | 2 | 7 |
| Between 30-50 Years | 75 | 483 | 82 | 568 | 82 | 612 |
| Under 30 | 56 | 483 | 36 | 409 | 32 | 323 |
| Total (by Gender) | 132 | 973 | 119 | 982 | 116 | 942 |
| Total | 1.105 | | 1.101 | | 1.058 | |

| New Hires by Gender and Age | 2019 | | 2020 | | 2021 | |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Female | Male | Female | Male | Female | Male |
| Over 50 Years | 0 | 0 | 0 | 1 | 0 | 0 |
| Between 30-50 Years | 2 | 18 | 1 | 9 | 0 | 12 |
| Under 30 | 2 | 64 | 1 | 16 | 12 | 45 |
| Total (by Gender) | 4 | 82 | 2 | 26 | 12 | 57 |
| Total | 86 | | 28 | | 69 | |

| Employees Quitting by Gender and Age | 2019 | | 2020 | | 2021 | |
|--------------------------------------|-----------|-----------|-----------|-----------|------------|------------|
| | Female | Male | Female | Male | Female | Male |
| Over 50 Years | 0 | 0 | 0 | 0 | 0 | 0 |
| Between 30-50 Years | 3 | 20 | 0 | 8 | 5 | 55 |
| Under 30 | 4 | 26 | 1 | 10 | 13 | 63 |
| Total (by Gender) | 7 | 46 | 1 | 18 | 18 | 118 |
| Total | 53 | | 19 | | 136 | |

| Number of Disabled Employees by Gender | 2019 | 2020 | 2021 |
|--|-----------|-----------|-----------|
| Female | 4 | 4 | 4 |
| Male | 25 | 29 | 26 |
| Total | 29 | 33 | 30 |

FINANCIAL STATEMENTS

| Net Sales (Million euro) | 2019 | 2020 | 2021 |
|--------------------------|---------|---------|---------|
| | 142,093 | 102,616 | 124,977 |

| Purchasing Performance | 2019 | | | 2020 | | | 2021 | | |
|------------------------|--------------------------------|---------------------------|---------------------------|--------------------------------|---------------------------|---------------------------|--------------------------------|---------------------------|---------------------------|
| | Number of Contracts (Purchase) | Paid on Due Date (Number) | Paid on Due Date (Rate-%) | Number of Contracts (Purchase) | Paid on Due Date (Number) | Paid on Due Date (Rate-%) | Number of Contracts (Purchase) | Paid on Due Date (Number) | Paid on Due Date (Rate-%) |
| FARBA | 119 | 119 | 100 | 112 | 112 | 100 | 106 | 106 | 100 |
| Total | 119 | 119 | 100 | 112 | 112 | 100 | 106 | 106 | 100 |

| Number of Suppliers | 2019 | 2020 | 2021 |
|--|-------|-------|------|
| Total (direct + indirect) | 862 | 845 | 820 |
| Domestic | 404 | 380 | 365 |
| Evaluated according to Social and Environmental criteria | 0 | 0 | 0 |
| Evaluated according to social criteria | 0 | 0 | 0 |
| Evaluated according to environmental criteria | 12 | 20 | 28 |
| Termination of employment due to non-compliance with Social and Environmental Criteria | 0 | 0 | 0 |
| Procurement Amounts (€) | 2019 | 2020 | 2021 |
| Total (direct + indirect) | 61 M | 58 M | 93 M |
| Domestic | 20 M | 18 M | 19 M |
| Evaluated according to Social and Environmental criteria | 0 | 0 | 0 |
| Evaluated according to social criteria | 0 | 0 | 0 |
| Evaluated according to environmental criteria | 1,4 M | 1,2 M | 1 M |
| Termination of employment due to non-compliance with Social and Environmental Criteria | 0 | 0 | 0 |

OHS PERFORMANCE

| OHS Performance Indicators | Total Working Hours per Year | Work-related injuries | | Serious injuries | | Work-related deaths | |
|----------------------------|------------------------------|-------------------------|----------------|-------------------------|----------------|-------------------------|----------------|
| | | Employee (Total number) | Ratio of Total | Employee (Total number) | Ratio of Total | Employee (Total number) | Ratio of Total |
| FARBA | 1.552.927 | 17 | 10,95 | 0 | 0 | 0 | 0 |
| Subcontractor | 158,450 | 7 | 44.18 | 0 | 0 | 0 | 0 |
| Total | 1,711,377 | 24 | | 0 | 0 | 0 | 0 |

| Occupational Health and Safety | 2019 | | 2020 | | 2021 | |
|---------------------------------|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male |
| Number of Employees | | | | | 942 | 116 |
| Number of Accidents | 5 | 12 | 2 | 17 | 2 | 15 |
| Number of Fatal Cases | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Occupational Diseases | | | | | | |
| Lost Day due to Accident | 2 | 18 | 7 | 23 | 0 | 67 |
| Absenteeism Day | 0 | 0 | 0 | 0 | 0 | 0 |
| Accident Frequency Rate (IR)* | | | | | | |
| Occupational Disease Rate (ODR) | | | | | | |
| Absenteeism Rate** | | | | | | |

*Accident Frequency Rate: (Total Number of Accidents / Total Annual Working Hours (Person*Hours))

* Calculated with the formula * 100.000.

**Absenteeism Rate: (Total Absenteeism / Total Annual Working Days (Person*Day))

* Calculated with the formula * 100. Includes only domestic employee data.

GRI

CONTENT INDEX



We have developed the content of the report in accordance with the GRI Standards Core option requirements. We have received confirmation that the general statements of GRI Standards 102-40 and 102-49 within the scope of the "Materiality Disclosures Service" offered by GRI are correctly included in the report. The service was given over the Turkish version of the report.

| GRI STANDARDS | NOTIFICATIONS | HEADINGS or ANSWERS | NUMBER/ URL |
|-----------------------------------|---------------|--|---|
| GRI 101: Foundation 2016 | | | |
| General Disclosures | | | |
| Organizational Profile | | | |
| GRI 102: General Disclosures 2016 | 102-1 | About the Report | 4 |
| | 102-2 | About FARBA Production Information | 8 12-15 |
| | 102-3 | FARBA Headquarters | https://www.farba.com.tr/iletisim/ |
| | 102-4 | About FARBA | 8 |
| | 102-5 | About FARBA Shareholding Structure | 8 10 |
| | 102-6 | About FARBA Production Information | 8 12-15 |
| | 102-7 | About FARBA Production Information Economic Performance Annexes | 8 12-15 26 91 |
| | 102-8 | Annexes | 91 |
| | 102-9 | Supply Chain Management | 76-79 |
| | 102-10 | In the reporting period, although changes were made in the organizational structure of the company to increase the management efficiency, there was no change that would create a large-scale difference that would affect the operating structure of the company. | 98 |

| GRI STANDARDS | NOTIFICATIONS | HEADINGS or ANSWERS | NUMBER/ URL |
|-----------------------------------|---------------|--|----------------------|
| Organizational Profile | | | |
| GRI 102: General Disclosures 2016 | 102-11 | Project Management Methodology Risk Management Sustainability Management | 19 48-51 54,55 |
| | 102-12 | Sustainability Management | 54,55 |
| | 102-13 | Our Activities in 2020-2021 | 22 |
| Strategy | | | |
| | 102-14 | Message from Senior Management | 6,7 |
| | 102-15 | Risk Management Sustainability Management | 48-51 54,55 |
| Ethics and Integrity | | | |
| | 102-16 | About FARBA Vision, Mission Ethics | 8 9 52,53 |
| | 102-17 | Ethics | 52,53 |
| Governance | | | |
| | 102-18 | Boards and Committees Sustainability Management | 28,29 54 |
| | 102-19 | Sustainability Management | 54 |
| | 102-20 | Corporate Governance Structure Sustainability Management | 27 54 |
| | 102-21 | Sustainability Management Our Priorities and Sustainability Approach | 54 55 |
| | 102-22 | Corporate Governance Structure Boards and Committees | 27 28,29 |
| | 102-23 | Corporate Governance Structure | 27 |
| | 102-26 | Sustainability Management | 54 |
| | 102-27 | Sustainability Management | 54 |

GRI 102-41, GRI 102-48

| GRI STANDARDS | NOTIFICATIONS | HEADINGS or ANSWERS | NUMBER/ URL |
|-----------------------------------|---|---|----------------|
| Governance | | | |
| GRI 102: General Disclosures 2016 | 102-29 | Sustainability Management Our Priorities and Sustainability Approach | 54 55 |
| | 102-30 | Risk Management | 48-51 |
| | 102-31 | Risk Management | 48-51 |
| | 102-32 | Sustainability Management | 54 |
| | 102-33 | Sustainability Management Our Priorities and Sustainability Approach | 54 55 |
| | Stakeholder Engagement | | |
| 102-40 | Our Priorities and Sustainability Approach | 55 | |
| 102-41 | There is no employee under the collective bargaining agreement. | 100 | |
| 102-42 | Our Priorities and Sustainability Approach | 55 | |
| 102-43 | Our Priorities and Sustainability Approach | 55 | |
| 102-44 | Our Priorities and Sustainability Approach | 56 | |
| Reporting Practice | | | |
| 102-45 | Financial Statements | 95 | |
| 102-46 | Sustainability Management | 56-59 | |
| 102-47 | Our Priorities and Sustainability Approach | 56 | |
| 102-48 | FARBA Sustainability Report 2021 | 100 | |
| 102-49 | Our Priorities and Sustainability Approach | 56 | |
| 102-50 | About the Report | 4 | |
| 102-51 | It is the first Sustainability Report of the institution. | 100 | |
| 102-52 | Annually | 100 | |

| GRI STANDARDS | NOTIFICATIONS | HEADINGS or ANSWERS | NUMBER/ URL |
|---|---------------|--|----------------|
| Reporting Practice | | | |
| GRI 102: General Disclosures 2016 | 102-53 | Contact | 107 |
| | 102-54 | About the Report | 4 |
| | 102-55 | GRI Content Index | 98-105 |
| | 102-56 | The data shared in the report has not been independently verified for the purposes of this report. | 101 |
| GRI 200: Economic Standard Series | | | |
| Economic Performance | | | |
| GRI 103: Management Approach 2016 | 103-1 | Economic Performance Our Priorities and Sustainability Approach | 26 56 |
| | 103-2 | Economic Performance | 26 |
| | 103-3 | Economic Performance | 26 |
| GRI 201: Economic Performance 2016 | 201-1 | Economic Performance | 26 |
| GRI 300: Environmental Standard Series | | | |
| Energy | | | |
| GRI 103: Management Approach 2016 | 103-1 | Our Priorities and Sustainability Approach Energy Management | 56 65,66 |
| | 103-2 | Our Priorities and Sustainability Approach Energy Management | 58 65,66 |
| | 103-3 | Our Priorities and Sustainability Approach Energy Management | 58 65,66 |
| GRI 302: Energy 2016 | 302-1 | Energy Management | 67 |
| | 302-2 | Energy Management | 67 |
| | 302-4 | Energy Management | 66, 67 |
| | 302-5 | Energy Management | 66, 67 |

| GRI STANDARDS | NOTIFICATIONS | HEADINGS or ANSWERS | NUMBER/ URL |
|---|---------------|---|----------------|
| Water and Effluents | | | |
| GRI 103: Management Approach 2016 | 103-1 | Our Priorities and Sustainability Approach Water Management | 56 68,69 |
| | 103-2 | Our Priorities and Sustainability Approach Water Management | 57 68,69 |
| | 103-3 | Our Priorities and Sustainability Approach Water Management | 57 68,69 |
| GRI 303: Water and Effluents 2018 | 303-1 | Water Management | 68,69 |
| | 303-3 | Water Management | 68 |
| | 303-5 | Water Management | 68 |
| Emissions | | | |
| GRI 103: Management Approach 016 | 103-1 | Our Priorities and Sustainability Approach Greenhouse Gas Emission Values | 56 64 |
| | 103-2 | Our Priorities and Sustainability Approach Greenhouse Gas Emission Values | 57,58 64 |
| | 103-3 | Our Priorities and Sustainability Approach Climate Change | 57,58 62 |
| GRI 305: Emissions 2016 | 305-1 | Greenhouse Gas Emission Values | 64 |
| | 305-2 | Greenhouse Gas Emission Values | 64 |
| | 305-3 | Greenhouse Gas Emission Values | 64 |
| | 305-5 | Greenhouse Gas Emission Values | 64 |

| GRI STANDARDS | NOTIFICATIONS | HEADINGS or ANSWERS | NUMBER/ URL |
|---|---------------|---|-------------------|
| Waste | | | |
| GRI 103: Management Approach 2016 | 103-1 | Our Priorities and Sustainability Approach Waste Management | 56 70,71 |
| | 103-2 | Our Priorities and Sustainability Approach Waste Management | 57 70,71 |
| | 103-3 | Our Priorities and Sustainability Approach Environmental Management Waste Management | 57 60 70,71 |
| GRI 306: Waste 2020 | 306-1 | Waste Management | 70,71 |
| | 306-2 | Waste Management | 70,71 |
| | 306-3 | Waste Management | 70 |
| | 306-4 | Waste Management | 70 |
| GRI 400: Social Standard Series | | | |
| Employment | | | |
| GRI 103: Management Approach 2016 | 103-1 | Our Priorities and Sustainability Approach Our Employees | 56 80 |
| | 103-2 | Our Employees | 80,81 |
| | 103-3 | Our Employees | 80,81 |
| GRI 401: Employment 2016 | 401-1 | Social Performance | 94 |
| | 401-2 | Remuneration and Fringe Benefits | 83 |
| | 401-3 | Social Performance | 93 |

| GRI STANDARDS | NOTIFICATIONS | HEADINGS or ANSWERS | NUMBER/ URL |
|---|---------------|--|----------------|
| Occupational Health and Safety | | | |
| GRI 103: Management Approach 2016 | 103-1 | Our Priorities and Sustainability Approach | 56 |
| | 103-2 | Occupational Safety, Environment and Energy Policy Occupational Health and Safety | 33,33 72,73 |
| | 103-3 | Occupational Safety, Environment and Energy Policy Occupational Health and Safety | 32,33 72,73 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 | Occupational Health and Safety | 72,73 |
| | 403-2 | Occupational Health and Safety | 72,73 |
| | 403-3 | Occupational Health and Safety | 72,73 |
| | 403-4 | Occupational Health and Safety | 74,75 |
| | 403-5 | Occupational Health and Safety Social Performance | 74 96 |
| | 403-9 | Occupational Health and Safety | 74 |
| | 403-10 | Occupational Health and Safety | 74 |
| Training and Education | | | |
| GRI 103: Management Approach 2016 | 103-1 | Our Priorities and Sustainability Approach Our Employees | 56 80 |
| | 103-2 | Our Employees | 80 |
| | 103-3 | Our Employees | 80 |
| GRI 404: Training and Education 2016 | 404-1 | Social Performance | 92 |
| | 404-2 | Our Employees | 81,82 |
| | 404-3 | Our Employees | 82 |

| GRI STANDARDS | NOTIFICATIONS | HEADINGS or ANSWERS | NUMBER/ URL |
|---|---------------|---|----------------|
| Diversity and Equal Opportunity | | | |
| GRI 103: Management Approach 2016 | 103-1 | Our Priorities and Sustainability Approach Equal Opportunity and Diversity | 56 85 |
| | 103-2 | Equal Opportunity and Diversity | 85 |
| | 103-3 | Equal Opportunity and Diversity | 85 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Equal Opportunity and Diversity | 85 |
| | 405-2 | There is no discrimination based on gender in remuneration. Remuneration is based on performance. | 105 |
| Supplier Social Assessment | | | |
| GRI 103: Management Approach 2016 | 103-1 | Our Priorities and Sustainability Approach | 56 |
| | 103-2 | Supply Chain Management | 77 |
| | 103-3 | Supply Chain Management | 77 |
| GRI 414: Supplier Social Assessment 2016 | 414-1 | Supply Chain Management | 77 |
| | 414-2 | Supply Chain Management | 78 |

LEGAL NOTICE DISCLAIMER OF LIABILITY

FARBA Otomotiv A.Ş. Sustainability Report (Report) has been prepared by FARBA Otomotiv A.Ş. in accordance with GRI Standards. All information and opinions contained in this report, which do not purport to be complete, have been provided by FARBA Otomotiv A.Ş. The data contained in the report has not been independently verified for the purposes of this report. This report has been prepared for informational purposes only and is not intended to form the basis for any investment decision. The information contained in this report does not constitute an offer to sell or a single part of an offer to sell the shares of FARBA Otomotiv A.Ş. or an invitation to such a sale process, and the publication of this report does not constitute the establishment of such a legal relationship. All information and related documents contained in this report are believed to be accurate as of the time of preparation of this report and the information has been disclosed in good faith and is based on reliable sources. However, FARBA Otomotiv A.Ş. and its reporting consultant, ESG Strateji Danışmanlığı ve Eğitim Ltd. Şti. (ESG Turkey Danışmanlık), do not make any representations, warranties or undertakings regarding this information. Accordingly, neither FARBA Otomotiv A.Ş. nor any of its affiliated companies or ESG Turkey Danışmanlık, nor any of their board members, consultants or employees shall be liable for any loss or damage suffered directly or indirectly by any person as a result of any information or communication transmitted within the scope of this report or any information based on or not based on the information contained in this report.



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