

Sustainability Report 2022



Contents

About the Report	4	Our Management Systems	31
Senior Management Message	6	Quality Management	32
		Our Certificates	35
About FARBA	7	Our Awards and Achievements	36
Our Vision, Mission, and Values	8	Risk Management	37
Shareholding Structure	9	Ethics Management	42
FARBA from Yesterday to Today	9		
Our Products and Production Processes	10	Our Sustainability Management	43
Economic Performance	15	Our Sustainability Management Structure	44
Corporate Governance Structure	16	Our Sustainability Policy	45
Our Board of Directors	17	Our Sustainability Approach	47
		Materiality Analysis	49
Our Policies	18	Relations with Stakeholders	50
Occupational Safety Policy	19	Supply Chain Management	52
Environment and Energy Policy	20	Our R&D Efforts	57
Quality Policy	21		
Ethical Policy	22		
Information Security Policy	24		
Human Resources Policy	25		
Circular Economy Policy	26		
Responsible Purchasing Policy	27		
Customer Relations Policy	28		
Collaboration Policy	29		
Personal Data Protection Law	30		



Our Environmental Management

Environmental Management System and Environmental Performance	60
Climate Change	61
Greenhouse Gas Emissions	64
Energy Management	65
Water Management	67
Waste Management	71
Our Understanding of Occupational Health and Safety	73

Our Social Performance

Our Human Resources Approach	74
Employee Training and Development	77
Our Recruitment Process and Benefits	78
Equal Opportunity and Diversity	79
Employee Satisfaction Survey Implementation Method	81
Customer Satisfaction	82
Marketing and Communication	84
Corporate Social Responsibility	86

APPENDICES

GRI Index	90
Disclaimer: Declaration of Liability	90
Contact	100

About the Report

The automotive sector is one of the most important industries because of its contribution to the economy and its leading role in other sectors.

In the sector, parameters such as production activities, raw material supply and social justice are shaped around sustainability principles today. The need for raw materials in production processes increases environmental impacts due to waste and emissions. As FARBA Automotive Inc., we organize our activities within the framework of sustainability principles.

We have prepared our sustainability report, which emerged with our sustainability approach in the light of our activities and values, in order to convey our efforts in this field to all our stakeholders.

In our sustainability report, we include our efforts, plans, management system, relations with our employees, activities in the fields of health and safety, and our social responsibility projects.

We decided to voluntarily prepare our report in accordance with GRI sustainability standards to share with external stakeholders and the public, with whom we are not in primary proximity. We collect all the information used in our report through internal reporting audits. After our reports are completed, we make evaluations and share them with our internal and external stakeholders for necessary improvements.

FARBA Automotive Inc. Sustainability Report, January 1, 2022 - It covers our activities, developments, and production between 31 December 2021-31 December 2022. While presenting our contribution to the Sustainable Development Goals with our report; we detail our environmental and social performance, the goals we have set within the scope of sustainability and the practices we have realized.





Dear Stakeholders,

At Farba, sustainability is a fundamental part of our daily life and strategies. We work hand in hand with all our stakeholders in line with the sustainable development goals announced by the United Nations for a better future and a livable world.

In a changing and evolving world, we find ways to do our work more efficiently and with fewer resources every day. We are constantly developing new methods and strategies to reduce our negative impact on the environment to zero. We also place responsibility on our suppliers for reducing our environmental impact and expect them to make improvements in line with our own targets.

We also support external training to ensure the lifelong development of our employees. The negative impact of the pandemic on society, employers and the supply chain, the impact of the Ukraine-Russia war on energy and transportation, and the transformation of electric vehicles require our organization and our strategies to be more adaptive than ever and our organization to be more proactive than ever.

Especially the great fluctuations in climate conditions in recent years give us clues about how vital it is to reduce our impact on the environment and confirm the necessity of our work.

Mehmet Fatih BAYRAKTAR
Board Member



FARBA About

- Our Vision, Mission, and Values
- Shareholding Structure
- FARBA from Yesterday to Today
- Our Products and Production Processes
- Economic Performance
- Our Corporate Governance Structure
- Our Board of Direction

Our Vision, Mission, and Values

Vision

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

Mission

With environmental and social responsibility awareness and new global collaborations, to sustain the FARBA brand by considering stakeholder expectations.

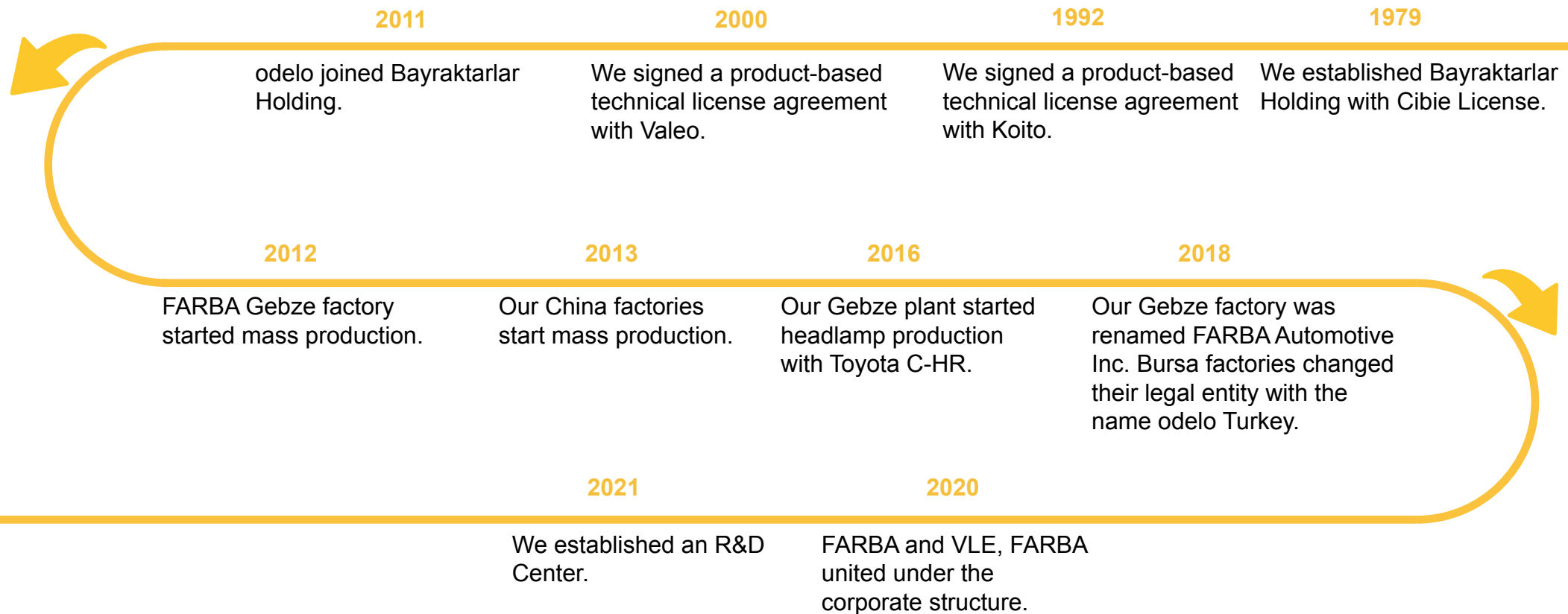
Our Values

- Honesty and Respectability
- Teamwork
- Innovation
- Being Proactive
- Customer Focus
- Responsibility

Shareholding Structure

As FARBA, we serve under Bayraktarlar Group. In 1979, we started the production of headlamps and rear lamps in our facility in Bursa, which is wholly owned by Bayraktarlar Group. In 1987, we joined Aygersan Group. In 2011, with the inclusion of odelo Group in Bayraktarlar Group, we continue our activities as the only company bearing the name FARBA.

FARBA from Yesterday to Today



Our Products and Production Processes

PRODUCTION INFORMATION

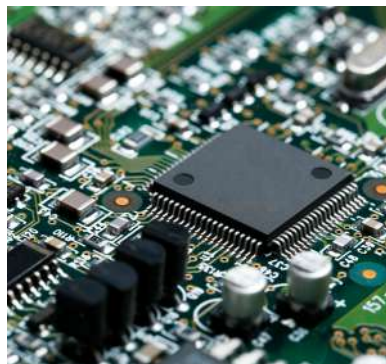
OUR LIGHTING DEPARTMENT

As FARBA, we carry out the necessary processes for our products and production. As a result of these processes, we design headlamps, rear lamps, and standard products, which are important parts for vehicles. We put our products through plastic injection, aluminum coating, varnish coating and assembly processes.



Standard Products

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. These products are manufactured in accordance with international regulations. Also, they are products that meet all functional and visual expectations of all customers.



Headlamp

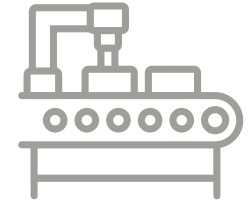
One of the most important parts of the vehicles, which is attached to the front of the vehicles, illuminates the road, has the feature of signaling and is a safety part, especially at night, and reveals the style and identity of the vehicles. It includes low beam, high beam, signal, daylight, and parking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

OUR PRODUCTS

Rear Lamp, it is one of the most important parts of the vehicles, which is attached to the rear parts of the vehicles, which 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, and is one of the most important parts that reveal the style and identity of the vehicles. It includes parking, brake, signal, reverse and fog functions. It can be single or two-piece according to the vehicle design. Instead of halogen bulbs for design flexibility and stylistic reasons, LEDs are mostly used as light sources today. It must comply with international regulations such as ECE and SAE. In addition to functionality, it must have geometric tolerances compatible with the vehicle body and visual control conformity.

GRI 2-1; GRI 2-6

Our Products and Production Processes



PRODUCTION INFORMATION

PRODUCTION

Plastic Injection

We produce plastic parts such as single-color inner lens, intermediate frame, body, reflector, and multi-color rear lamp 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 our injection machines, both single color and multicolor, work 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 visuality, 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, the inner surfaces of the headlamp and rear lamp lenses to prevent the formation of condensate in the headlamp and rear stop are coated with special varnish with the help of 6 axis robots with spray method in our facilities in clean room

Assembly

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



Our Products and Production Processes

OUR ELECTRONICS DEPARTMENT

Our team, which strives to advance all our processes in a systematic manner, continues its understanding of continuous development within the lighting system in the electronics department. For our electronics department, we aim to minimize the use of paper and contribute to digital transformation by trying to carry out activities that increase our work efficiency. The processes used in our current products include Laser, SMT, THT, Manual Assembly, Coating, X-Ray, ICT/FCT, Milling and final control stages.

2.1. PCB Cleaner:

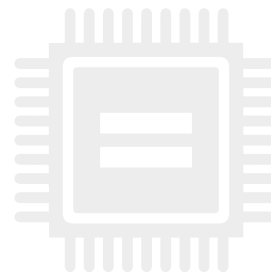
Surface cleaning of PCBs as panels is done here.

2.4. Pick and Place (Typesetter):

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.

1.1. LASER PROCESS

In this process, a barcode is printed on the cards by laser with the burning method. With this barcode, the traceability of the product is ensured. Other processes can also make the traceability of the product according to the card by taking this code as reference. Cards with laser barcodes are automatically loaded into the magazines (carriers) at the exit of the machine untouched by the existing machine system.



2.5. Press Fit/Pinin Paste:

Tight-fit or through-hole assembly materials are typeset on cream solder in the SMT process.

2.2. SMT PROCESS (SURFACE MOUNT TECHNOLOGY)

SMT Process is a process that includes five important processes. These processes are Printer (Solder Printing Machine), SPI (Solder Print Test) Pick and Place (typesetting), Reflow (oven) and AOI (optical inspection) processes.

2.3. SPI (Solder Print Tester):

The solder applied to the island on the board is evaluated for height, area, volume, short circuit, and slippage.

2.2. Printer (Soldering Machine):

The soldering process is done here. Under humidity and temperature controls, solder is deposited on the solder islands on the board with a suitable sieve.

Our Products and Production Processes

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.

3.1. Radial:

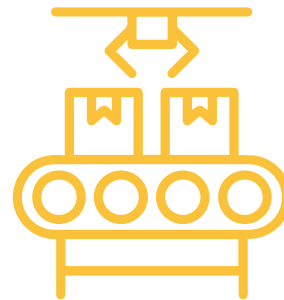
Radial type materials (i.e., where the legs are parallel to each other and to the body, and there are leg connections underneath the material) are stacked in this process. These materials stand vertically on the board.

3.3. Pin Inserter:

Materials such as pins and terminals are typeset here. As a result of the stringing, the pin locks itself in the hole and does not need any soldering afterwards. Soldering can also be done after this process upon request.

2.7. AOI:

Three-dimensional automatic optical control. During this process, a visual inspection of the cards that have been typeset or assembled is performed. It checks the presence, orientation, offset, height, and solder condition of the materials and reports any errors.



3.4. Manual Assembly:

Manual process is applied for materials that cannot be attached automatically in machines. Upon request soldering can also be done after this process.

3. THT PROCESS (IN-HOLE ASSEMBLY TECHNOLOGY)

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

3.2. Axial:

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

3.5. Selective Soldering:

Materials that have completed in-hole assembly stringing or products coming from a manual assembly line are soldered in this process. The soldering process is more dependable and risk-free as it is performed only on the points to be soldered.

Our Products and Production Processes

4. DISPENSER

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

5. CONFORMAL COATING

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 cards 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. FREZE

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 CONTROL

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

10. PACKAGING

PCBs are set according to customer demand and packaged according to customer request.

Economic Performance

At FARBA, we support stable, inclusive, and sustainable economic growth, full and productive employment and aim to improve our economic performance every year. Within this scope, we aim to increase our net sales value by approximately 10% from 124,977 million euros in 2021 to 138,071 million euros in 2022. We have reached a value of 138,071 million euros.



+ Net Sales

138,071 Million
Euros
2022

124,977 Million
Euros
2021

102,616 Million
Euros
2020

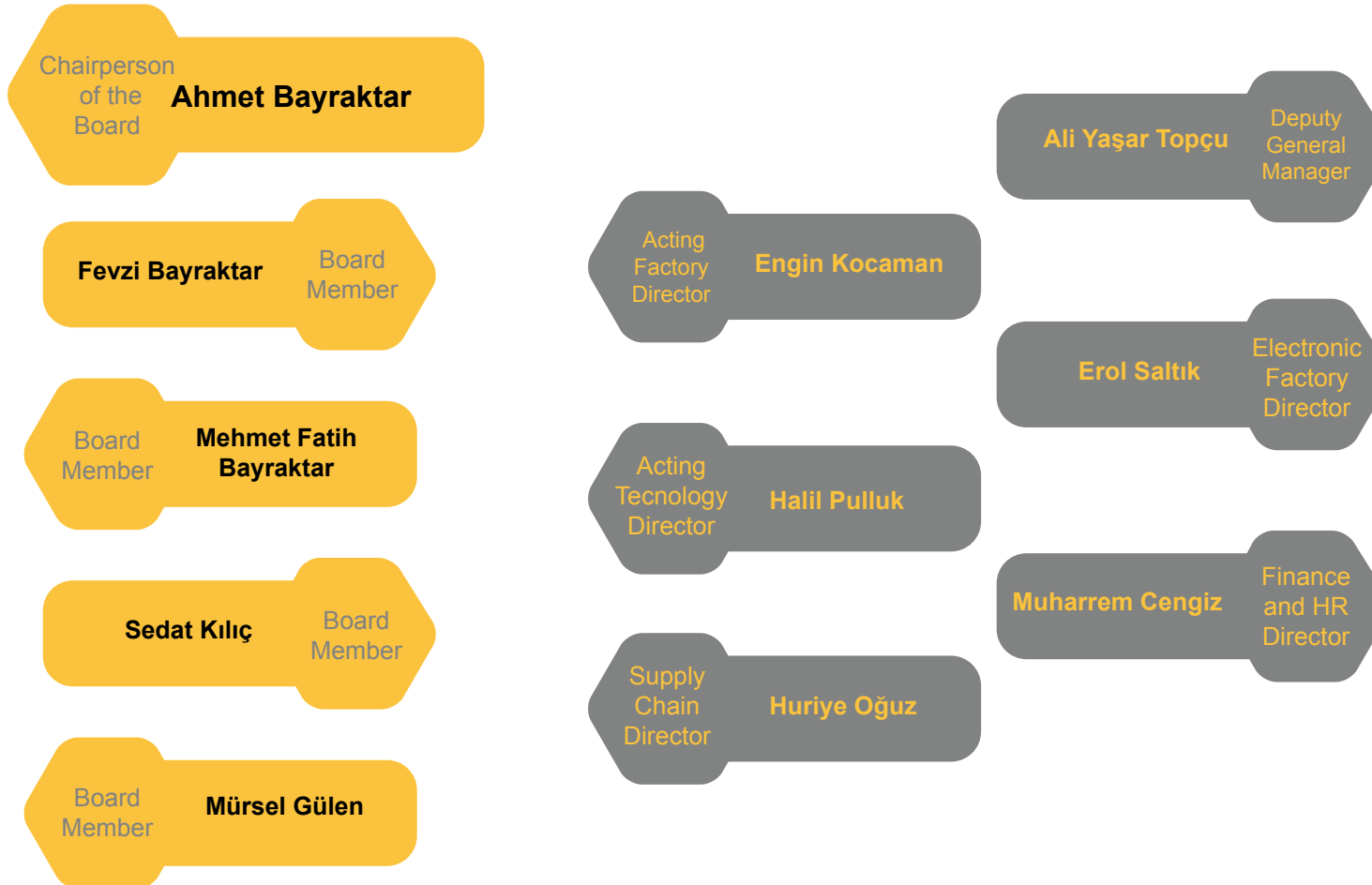


Our Corporate Governance Structure

○ Our Board of Directors

Our Board of Directors

As FARBA, in accordance with our corporate governance approach, we adopt a responsible, egalitarian, transparent, accurate, honest, and accountable approach towards all our stakeholders, especially our employees and shareholders. Through our management structure, which we have created by prioritizing the interests and benefits of all our stakeholders, we are moving forward by carrying our social, environmental, and financial success further.



The success of our company is increasing day by day with our senior management team and experienced employees. We present our senior management staff operating in this context on the left.

Our Policies

We base our policies on our company's values and priorities. We strive to continuously improve and develop our strategies and policies, which we shape within the framework of our company's vision and mission. We are aware that one of our most valuable assets is our employees. For this reason, we guarantee the value we give to people with our policies.

- Occupational Safety Policy
- Environment and Energy Policy
- Quality Policy
- Ethical Policy
- Information Security Policy
- Human Resources Policy
- Circular Economy Policy
- Responsible Purchasing Policy
- Customer Relations Policy
- Collaboration Policy
- Personal Data Protection Law

Occupational Safety Policy

At FARBA, our first priority is occupational safety.

We are committed to providing a healthy, safe and clean environment to our employees, sub-industries, customers and society.

Our ultimate goal is to achieve a zero accident target, to prevent health deterioration and possible damage due to work, and to create and maintain a healthy and safe working environment by eliminating hazards.

In this sense Farba;

Fulfills the requirements of all applicable legal and other conditions within the scope of Occupational Health and Safety regarding our fields of activity.

Adopts all its employees and related parties as a basic duty not to endanger the health and safety of themselves, other employees and visitors with the help of necessary information and training.

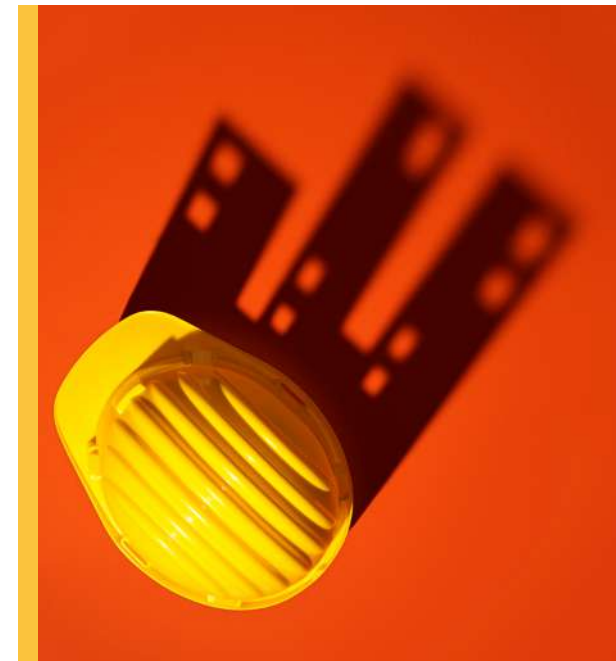
Within the scope of all our activities, adopts the prevention culture by making risk assessments related to possible dangerous situations and behaviors in a systematic way.

Provides the full support and participation of interested parties, employees-employee representatives.

Instead of solving problems after they arise, works with a preventive approach, constantly increasing our health and safety level and preventing work accidents and occupational diseases.

Takes into account occupational safety risks and opportunities in the supply of current and new processes, design and all machinery and equipment and the energy itself, and

Provides all the necessary resources to periodically review our targets in order to continuously improve OHS management and performance, and to reach the targets.



Environment and Energy Policy



In order to ensure and manage environmental focus in all its activities;

- FARBA complies with national and international legal regulations and other obligations related to environment and energy and ensures the continuity of environmental and energy management systems.
- Establishes the objectives and targets of the environment and energy management system and ensures that these are constantly reviewed by the management.
- Sets and improves environmental performance targets for our products, manufacturing operations and suppliers.
- Increases the use of renewable energy sources and energy efficiency efforts.
- Environmental protection takes into account all dimensions and energy efficiency, including all existing and newly commissioned processes, design and all machinery and equipment and the supply of energy itself.
- Takes all aspects of environmental protection and energy efficiency into consideration including all existing and newly commissioned processes, design and supply of all machinery and equipment and the energy itself.
- Purchase and transport chemicals to be used during production,
- Acts in accordance with all legal regulations regarding the disposal and reduction of hazardous wastes that will occur during its storage and use and after use, and does not use prohibited materials during production.
- Continuously improves the chemicals used in accordance with the changing technology, and in this direction, it provides production by using substances that are harmless to the environment and people.
- Complies with all legal and local environmental committee decisions, makes improvements to prevent environmental pollution, reduces environmental impacts, and increases employee awareness on these issues.
- Meets the needs and expectations of all interested parties in implementation and reporting on the environment.
- Takes measures to reduce all natural resource consumption and carbon emissions.
- Increases the environmental awareness of all its stakeholders in order to leave a clean and healthy environment for future generations..

As Farba Automotive Inc., we work with all our strength in the effort of 'CONTINUOUS DEVELOPMENT' by fulfilling the requirements of our responsibilities, in line with all these principles, in compliance with laws and regulations, in order to achieve environmental and energy targets.

Quality Policy

Our aim is to aim for excellence in our business and thus to produce reliable and durable products that exceed the expectations of our customers. For this purpose, we apply and comply with international standards related to our work in our competence, products and processes, and in this way, we constantly improve our quality management system. While aiming to be the leading business partner of our country in automotive lighting and electronics, we aim to be the preferred business partner of our customers in the international market.

With our continuous technological investments, we increase our production efficiency and competitiveness day by day and use our resources more efficiently. For this, we carefully examine even the smallest non-conformities, monitor our processes on the basis of concrete data, and evaluate the changing expectations of our customers in order to ensure permanent satisfaction of our customers; and we ensure that all these are spread rapidly from the top management to the lowest level personnel.

It is vital for us to create a safe and secure work environment filled with happy employees. We create continuous training opportunities and encourage participation in these trainings so that everyone in our organization can become more competent, more knowledgeable and able to use their skills at the highest level. We encourage innovative and creative ideas.

We act with the awareness that we can develop the success we aim for, with long-term strategic business partnerships, in unity with our stakeholders, customers and suppliers, with internal and external issues.

As Farba Automotive Inc., we undertake to all our stakeholders, customers, suppliers and employees that we will strive for 'CONTINUOUS DEVELOPMENT' by fulfilling the requirements of our responsibilities, in line with all these principles, in compliance with laws and regulations, as the key to achieving quality targets.



Ethical Policy

The principle of Integrity and Respect is at the forefront of our Core Values, which are our building blocks and expressed by our founder İzzet Bayraktar. Honesty and Respect are indispensable and most important principles for FARBA. All stakeholders are treated in accordance with this value, in transparent standards and in mutual open communication, and our business partners are expected to act in accordance with our ethical principles.

In order to ensure compliance with all ethical principles in FARBA's business and operations:

- All legal rules are followed in all business and transactions.
- All work is done in a way that respects human rights (i.e. equal opportunity, gender equality, diversity inclusion, decent work environments, protection and support, assessment of their development and talents, unionisation, etc.). Child labor, forced labor, mobbing, harassment and discrimination etc. never acceptable and should be reported immediately.
- All work is done for the benefit of customers (transparent, respectful and fair to their satisfaction) and in accordance with their needs (resolving their feedback quickly, transparent in product promotion and content).
- In all businesses, business models that build capacity for shareholders and support growth are created and corporate governance standards are applied
- Open communication and mutually trusting relationships are established with all business partners. Business partners are expected to act transparently and in line with FARBA values.
- The United Nations Sustainable Development Goals are adopted and contributed to for the benefit of the local community. The community is supported on social and environmental issues. As part of FARBA's responsibility, aid activities and support are offered to the community and ecosystem.

- No political party, political views and interests are supported directly or indirectly.
- In the light of FARBA's Responsibility value, obligations beyond all environmental legislation are fulfilled within the scope of BMSKA with the understanding of sustainable environment.
- Competition is encouraged in all business, all competition laws are complied with and compliance is expected from all business partners.
- Bribery and Corruption have no place in FARBA business. No employee can offer or accept this. When a bribe is offered, it is immediately rejected and must be reported. All business records fully and clearly reflect the relevant transaction. We do not allow conflicts of interest within FARBA. We do not allow hospitality, gift giving, etc. that may cause misunderstandings.
- Conflicts of interest are not allowed within FARBA. Hospitality, gift giving, etc. that may cause misunderstandings. not allowed.
- It ensures the confidentiality of all information in FARBA and does not share it with third parties. It processes stakeholder information in accordance with KVKK and complies with all legislation.

As Farba Automotive Inc., we fulfill the requirements of our responsibilities in compliance with laws and regulations in line with all these principles, which are the key to ethical business conduct. In order to ensure ethical compliance, it is ensured that the ethical systematic is operated in a healthy way. It is ensured that all stakeholders do not become victims of ethical violations, and that ethical actions will be carried out in secrecy.



Mutual Trust

Information Security Policy

With the implementation of this policy, as Farba Automotive Inc. Senior Management, we aim and undertake to fulfill the following basic principles necessary for the protection, continuity and sustainability of information assets in terms of confidentiality, integrity and accessibility while realizing the vision of "to offer innovative technology and products with high added value to the global market" with the Information Security Management System to be established as one of the requirements for the continuation and development of sustainable competitiveness.

- Providing all necessary resources (infrastructure, process and personnel) for the Information Security Management System, Ensuring working in compliance with the requirements determined by the laws of the Republic of Turkey, regulations, circulars, customer contracts and the legal legislation required by the business
- Ensuring the confidentiality, integrity and accessibility of information belonging to real persons, our organization or our stakeholders (Customer, Supplier, Government Institutions) in all cases,
- Carrying out the risk assessment processes regarding the increasing threats to the confidentiality, integrity and accessibility of information assets, providing the necessary support and contribution to eliminate the identified risks or reduce them to acceptable levels,
- Ensuring that information is accessible only to authorized persons in accordance with the "need-to-know" principle,
- To provide the necessary support for the plans to be made regarding the development of technical and behavioral competencies and the regular provision of trainings necessary for them to contribute to the effectiveness of the ISMS in order to increase the awareness of information security of all employees,
- Providing the necessary support for the efforts to be carried out to detect, notify, close and prevent the recurrence of all real or suspected violations of information security incidents,
- Providing all necessary resources (infrastructure, equipment, personnel) to ensure continuous access to information at planned levels by ensuring business continuity,
- Ensuring the achievement of the targeted outputs of the Information Security Management System and supporting its continuous improvement

We will work to become a leading company in Information Security in our sector by managing ISO 27001 Information Security Management System in an integrated manner with all other management systems and Business Processes implemented within the scope of our institution.

Human Resources Policy

FARBA believes that the most important element of its success and innovative corporate structure is its human resources. In this respect, our most important asset for success is our employees.

FARBA, in order to ensure the loyalty of our employees with a transparent, innovative, inclusive, diversity and objective perspective in the corporate culture;

- Gains the most valuable talents (quality workforce),
- It is inclusive, non-discriminatory, and allows diversity with objective criteria,
- Gives importance to the creative ideas of its employees, ensures participation by managing and strengthening communication effectively and transparently,
- Supports continuous learning personally and professionally with a future perspective and develops its employees by providing environments where experiences are shared,
- Supports them with the material and non-material opportunities it provides,
- Provides opportunities to work in accordance with ethical behavior principles and being aware of its social responsibility,
- Enables them to work in safe, ergonomic environments and to be successful in work-life balance,
- By measuring employee satisfaction, it develops innovative processes for its employees,
- Evaluates, recognizes, appreciates and encourages the performance of its employees based on objective criteria, and ensures their promotion,
- Respects human rights and the law in all its practices.

As Farba Automotive Inc., we fulfill the requirements of our responsibilities in line with all these principles, which are the key to achieving HR goals, in compliance with laws and regulations, and we work with all our strength for 'CONTINUOUS DEVELOPMENT'.



Circular Economy Policy

As FARBA, we know that we only have one Earth. With our environmental management system and environmentally responsible business;

- Minimum use of all natural resources related to our business is ensured.
- The most efficient use of all resources related to our business is ensured.
- With the maintenance of all machinery, equipment, equipment, buildings and facilities related to our business, the maximum benefit is obtained from their useful life.
- Waste management and zero waste approach are applied in all dimensions.
- Transformation is encouraged in all dimensions.
- Compliance with the principles of cyclical economy (energy efficiency, environmental impact, longevity, etc.) is observed during the needs determination and purchases.
- Compliance with circular economy principles is observed during the divestiture and grants.
- This point of view is acted upon in relations with suppliers.



Responsible Purchasing Policy

As FARBA, we act with a mutual win-win understanding in open communication with all our suppliers on the basis of mutual trust and our transparent standards.

In order to ensure the responsible purchasing compliance of our business conduct:

- All legal rules are followed in all business and transactions.
- It is ensured that all our suppliers act in compliance with our values, especially FARBA's ethical policy and principles.
- It is objective and transparent in the application of environmental and social principles in the purchasing and supply selection process.
- Our purchases are made from reliable suppliers who are present in our approved supplier lists, who are aware of occupational health and safety, environment, quality and social responsibility.
- An effective market research is conducted and opportunities are provided for new suppliers.
- At the stage of need determination and purchases; Compliance with the principles of circular economy (energy efficiency, environmental compatibility, etc.) is observed.
- Long-term business partnerships are established with suppliers in which mutual trust, effective communication and mutual benefit are preserved.
- The development and development of suppliers is within our goals.

As Farba Automotive Inc., we fulfill our responsibilities in supplier relations in line with all these principles and in accordance with laws and regulations. We work with all our strength to establish mutual trust and mutually beneficial long-term relationships with our suppliers.



Customer Relations Policy

As FARBA, our main philosophy is to maintain our customer focus in our fields of activity. We design all our products together with the customer in accordance with his expectations and needs, and we produce in accordance with international quality standards and beyond their expectations. We respond quickly to customers' feedback. Communication with the customer is indispensable for us throughout the entire process.

To ensure and manage customer focus in all of FARBA's activities;

- While producing its products, FARBA starts from the design stage and together with its customers, produces solutions that are suitable for their needs beyond their expectations.
- FARBA builds long-term relationships that create value for its brand and customer brand.
- Ensures the confidentiality of customer information.
- Customer complaints and feedbacks are handled quickly and improved by getting to the root cause.
- Communicates and maintains communication with the customer through the channels requested by him at all stages of the value chain.
- Provides all the conveniences with its employees and technology to help and support its customers in all matters.
- Periodically measures customer satisfaction and perception and uses it for continuous improvement.



As Farba Automotive Inc., we work with all our strength in line with all these principles, which are the key to achieving FARBA goals, with the awareness that the customer is the reason for existence, in harmony with laws and regulations.



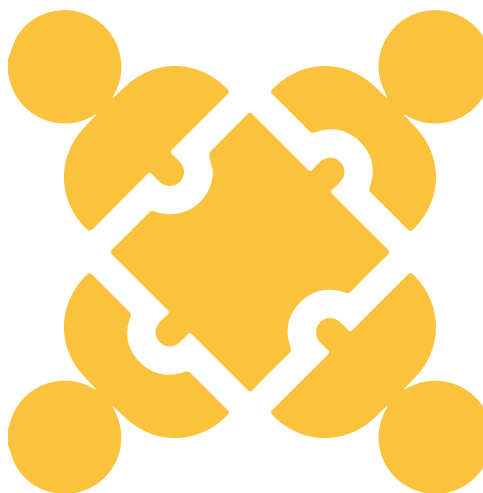
Collaboration Policy

One of the indispensable elements of FARBA's success is the collaborations it has established. In all our fields of activity, we establish and manage collaborations with the awareness of the cooperation economy.

At FARBA, to ensure and manage cooperation in all its activities;

- Collaborations are made for the realization of FARBA strategies.
- Collaborations are managed in a transparent, consistent and accountable manner to ensure mutual benefit.
- All collaborations are managed in line with contracts for mutual trust in cooperation. Our collaborations are based on future-oriented and innovative approaches.
- Future-oriented, innovative approaches are essential in collaborations.
- Collaborations are handled on a process basis and their effectiveness is reviewed.
- Mutual win-win is achieved in collaborations.
- Collaboration feedback is evaluated and resolved. It is included in future-term strategies when necessary.

As Farba Automotive Inc., we are open to all cooperations in line with all these principles, in accordance with laws and regulations, as the key to achieving our goals within the philosophy of mutual win-win.



Personal Data Protection Law

Pursuant to Article 10 titled "Data Controller's Obligation to Inform" of the Personal Data Protection Law No. 6698 ("KVKK") 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. Pursuant to Article 10 of the Law on the Protection of Personal Data No. 6697 published in the Official Gazette dated April 7, 2016 and numbered 29677 ("KVKK") and the Communiqué on the Procedures and Principles to be Followed in the Fulfillment of the Obligation to Inform published in the Official Gazette dated March 10, 2018 and numbered 30356, we aim to inform you about your personal data processed by FARBA Lighting Systems Inc. ("FARBA" or "Company") with this Clarification Text.

Personal data obtained within the scope of relations 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.

- Execution of the customer recognition process,
- Managing proposal, contract, and order processes,
- Managing the process of evaluating customer complaints,
- Conducting 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,
- Execution of the transportation process,
- Execution of the power of attorney process given to the Customs Consultant,
- It consists of recording the contact information of the Customers and Suppliers with whom we cooperate and executing the process.

You can find detailed information about PDPL on [our website](#).





Our Management Systems

- Quality Management
- Our Certificates
- Our Awards and Achievements
- Risk Management
- Ethics Management

Quality Management

We strive to meet customer expectations at the highest level with our Quality Management approach, which we have meticulously conducted since our establishment.

Accordingly, we follow national and international standards and regulations and ensure sustainable control of our processes in order to provide quality and safe products.

With our Quality Management System, we take care that the measurable, functional, and visual controls required at every stage of the process, starting from the input product quality, are in line with the philosophy of "Quality is produced on site". We aim to make the standardization of our work error-free with poka-yoke (error prevention) practices.

To fulfill the expectations of our customers before and after sales, we have developed thermal, mechanical, optical, chemical, and dimensional systems that improve our product quality. In our laboratories with (3D) measurement capacities, we work in accordance with high quality standards.

We value our customers' feedback during our new product development phase. We interpret each stage of our process within the scope of Advanced Product Quality Planning (APQP), focusing on our customers' responses.

To identify our product and process risks and take action, we work through Failure Mode and Effects Analysis (FMEA) applications.

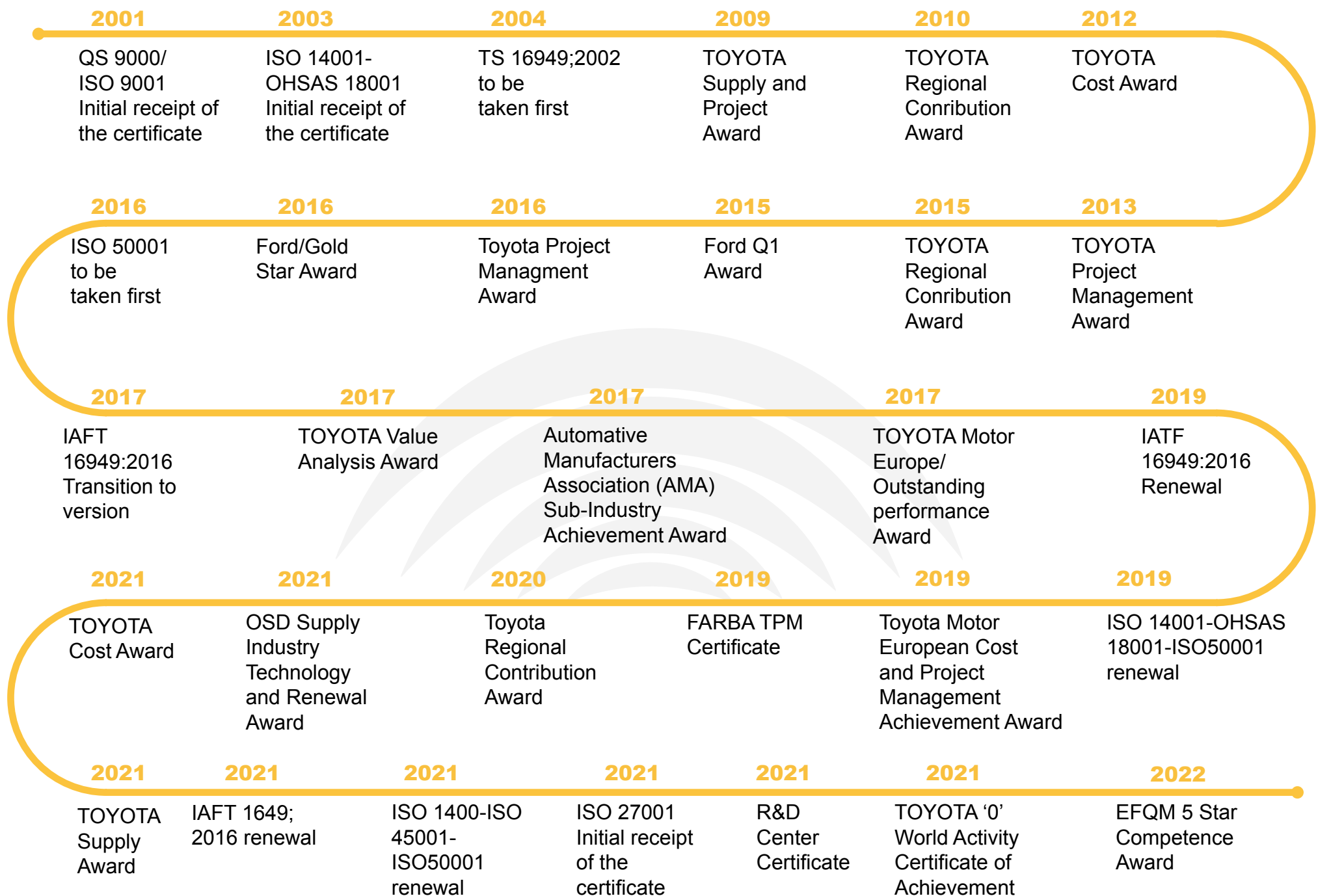
As a company, we have been a member of the International Patent Classification (IPC) since 2014. We encourage our employees to be certified as IPC Trainers and IPC Experts. Through this, we ensure that the standard in question is understood and easily applied from the sub-material input to the product.

At FARBA, we conduct our analyses and investigations to find the root cause of failures. In this way, our analyses serve as a reference to help us improve our future performance and solve problems. Accordingly, in order to improve our processes, we carry out our Kaizen studies. To ensure corporate know-how and to utilize this know-how in new projects to take advantage of the Reflection System.



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.

In addition to our 2022 Quality Management activities, we developed FMEA software for internal document management and for finding potential failure modes and causes in our production processes.



Project Management and Methodology

As FARBA, we have integrated the PMI® (Project Management Institute) methodology applied all over the world and the IATF 16949 and VDA 6 standards applicable to the Automotive Quality Management System into the project management process in accordance with the company culture.

Our project management approach emphasizes the highest level of quality, efficiency, and timeliness, and we are committed to meeting our clients' needs in the best conceivable way. We are committed to providing our customers with project-specific commercial and technical improvements.

Our project teams consist of multifunctional, competent people with experience in electronic production and process development. With our project teams, we plan the processes and activities that will enable projects to achieve their goals, thus guaranteeing the approval process.

Project Management Methodology is the methodology followed to realize the projects with a standard method and method, in a disciplined manner, under a certain budget and time constraint by ensuring the quality delivery of the results.

At FARBA, we attach as much importance as possible to project management processes. We start our project preparation process by first proposing the project and conducting the necessary meetings and analyzes. After this process, we prepare the project team and plan to start the project.

After this phase, we move to the "project planning" phase to develop plans. Once the necessary resources and labor have been allocated, audits are carried out to validate the project. Finally, we reach project closure with the help of a Standard Operating Procedure (SOP).



Our Certificates

As FARBA, we strengthen our Quality Management at all levels, especially OHS and Environmental Management, every year. We support our development in our social, environmental, and economic activities under the roof of sustainability with the ISO certificates we hold.

To date, in order to achieve our sustainability goals in Quality Management;

- We have 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 in order to create zero accidents and eliminate accident risks.
- We have obtained ISO 50001 Energy Management System certification by focusing on avoiding non-renewable energy sources, reducing excess energy use by managing our energy use, efficient use of renewable energy sources and energy efficiency.
- To leave a clean and healthy environment for future generations, we have obtained ISO 14001 Environmental Management System certification in order to increase efforts to reduce the consumption of natural resources and carbon emissions.
- 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.

“As FARBA, our priority is to make reliable and durable productions that meet the expectations of our customers by aiming for excellence in our business. For this purpose we are making continuous improvements in our Quality Management system within the scope of ISO 9001 Quality Management System: 2015 and IATF 16949 Automotive Quality Management System: 2016 standards by following the international standards related to our business. In addition, we have the European Foundation Quality Management (EFQM) 5-star award given by KaIDer as of 2022.”



Our Awards and Achievements



2016
Ford Gold Star Award

2017
Automotive Manufacturers Association (AMA)/Sub-Industry Achievement

2017
Toyota Motor Europe/“Outstanding Performance Award”

2019
Toyota Motor Europe-Cost and Project Management Achievement Award

2019
2019 Toyota Regional Contribution Award

2020
2020 Toyota Regional Contribution Award

2021
OSD Supply Industry Technology and Innovation Award

2021
TOYOTA to FARBA 2 separate Cost Management and Shipment Management Achievement Awards

2021
R&D Center Certificate

2021
“0”World Activity Certificate of Achievement

2022
EFQM 5 Star Competence Award

We successfully completed the "Zero World" activity that we participated in with the 2021-C-HR Far. Our customer Toyota awarded us with the success award by achieving our zero-defect target in "Safety, Emission, Regulation, A rank defect" (SERA) topics in the last 1 year.

2022- As a result of the Competency assessment conducted by the Turkish Quality Association (KalDer) on behalf of the European Foundation for Quality Management (EFQM) in line with the EFQM Model, we received the Competency in Superior Performance 5 Star award.



Risk Management

Our risk management system is one of the most important structures of our company. This is because it provides a systematic approach to managing our company's environmental, social and governance performance and its impact on the Sustainable Development Goals (SDGs).

At FARBA, we take the necessary measures to ensure financial and operational integrity, early detection of risk and actions and measures for the effective management of risk. Our risk management instructions cover all risks and opportunities. We give responsibility for the implementation of our instructions to all departments and divisions in our organization.

We consider stakeholders, internal and external factors to determine the causes of risk. Among the groups we consider when determining our risks are primarily our stakeholders.

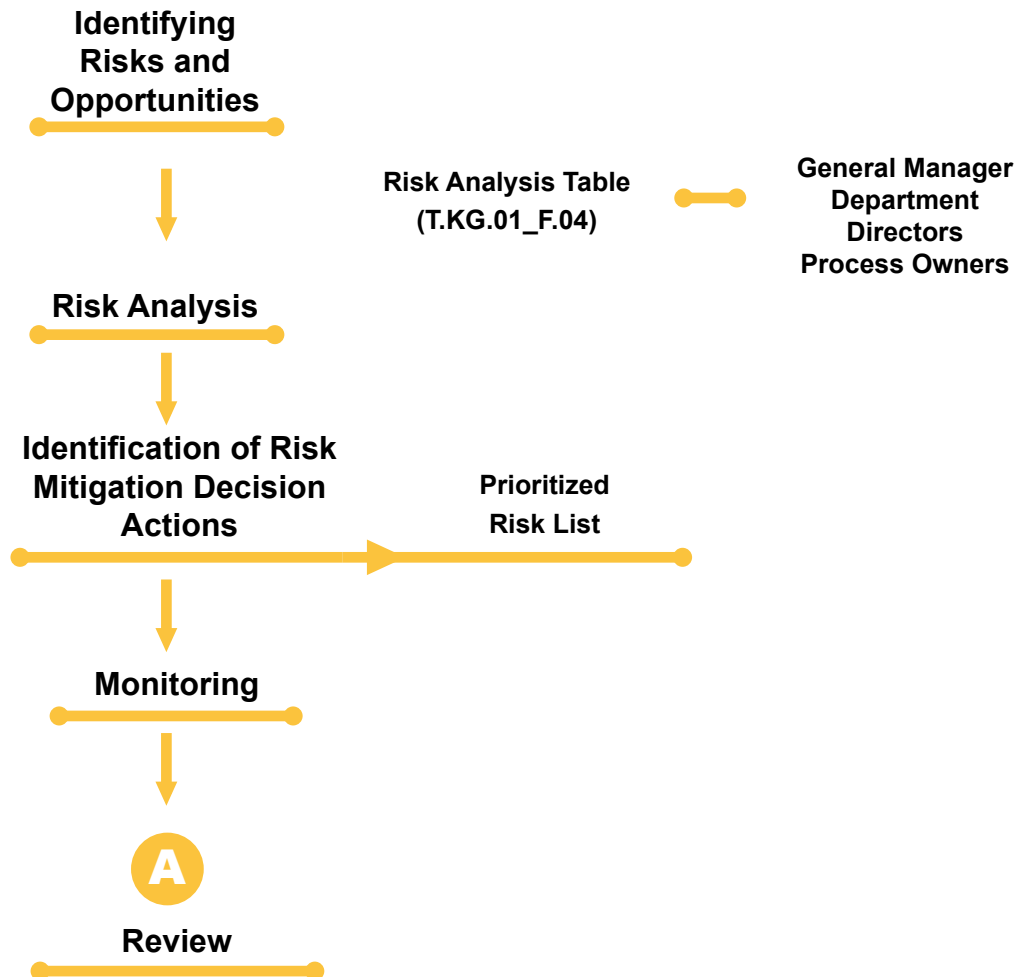
We determine Risk Analyses within our Company to minimize the negative effects of our risk management. Following the determination of the analyses, we evaluate all our actions on a 6-point scale and monitor them on the same table in order to mitigate risks. As such, we create a prioritized risk list, and after the list is prepared;

Our stakeholders consist of our employees and customers, Business and Governance collaborations (Shareholders, Ministry of Industry and Technology, Ministry of Labor and Social Security and Ministry of Environment, Urbanization and Climate Change), Suppliers, Society, and other collaborative groups. The internal elements that we define as standard are corporate knowledge, organizational culture, values, performance, information system, owned technology facility, goals/strategy, binding contracts, equipment, and management. External elements include technology, economy, laws, politics, suppliers, customers, competitors, automotive/lighting market, and environment.

- We review and update the actions to be taken.
- We review the actions identified for the risk that have not been completed.
- We approve new risks and opportunities by process owners and add new risks or opportunities by the team, if any.
- According to the results of the actions identified or implemented, we determine the new risk rating of the relevant risk in the risk follow-up report, follow up and prepare it for presentation.



Practice:



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 considering "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 made. Risk analysis should include the following elements.

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



Risk Assessment Matrix:

Violence 7.4 Monitoring Probability	Less (1)	Middle (2)	Serious (3)
Less 1	Light 1	Tolerable 2	Medium 3
Middle 2	Tolerable 2	Medium 4	High Risk 6
Frequent 3	Medium 3	High Risk 6	Intolerable 9

Risk Score and Action:

Risk Score	Risk Level	Risk Prevention	Process Quality Performance
1	UNIMPORTANT	No prevention is required, routine activities are continued.	No loss of Customers / Business / Production / Sales No financial cost impact No legal requirements / No injury / No environmental damage
2	LOW	Requires Training Warning.	Low loss of Customers / Business / Production / Sales Low financial cost impact First-aided injury / Temporary Environmental Accident, pollution
3-4	MID	Activity planning is expected in the long term (1-2 years)	Short-term loss of Customers / Business / Production / Sales Moderate financial cost (<150 K) Minor injury / Environmental accident
6	HIGH	In the medium term, measures are taken, and corrective action is expected (1-6 months).	High loss of Customers / Business / Production / Sales High financial cost (100-250 K) Serious Injury / Significant prolonged environmental accident
9	MORE HIGH	Urgent Corrective action measures are taken and require detailed research, planning and implementation (1-4 w).	Loss of Customers / Business / Production / Sales extremely high a lot high Too high financial cost (>250 K) Legal Compliance Violation / Government Investigation / Death / Catastrophic Environmental accident

Table 2: Risk Prioritization Chart



Probability and Severity scores are determined in the Risk Analysis Table. Risk Score is calculated.

In order to mitigate risks, actions are taken for all risks above 6 points and tracked on the same table. Action dates are determined with the departments to be cooperated with.

The risk monitoring process is overseen with a comprehensive broad perspective. It is conducted as a daily and continuous activity. Risk monitoring is carried out to assess that management processes are well managed, and risks are minimized. Monitored by action officers. Meetings with related parties when necessary It is done.

Risk Management review is conducted once a year. (Prior to FGD) 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 follow-up report and followed up.

Risk Review items

- **Reviewing and updating the risks with 6 points and above in the risk assessment table.**
- **Review of incomplete actions identified for the risk.**
- **If new risks and opportunities have been identified by the Process Owners', approval, if any, addition of new risks or opportunities by the team.**
- **According to the results of the actions determined or implemented, the new risk rating of the relevant risk is determined in the risk follow-up report and followed up.**
- **Identification of key risks and opportunities to be discussed at the strategy management meeting.**



We analyze our risks by dividing them into groups like Strategic Risks (SWOT), Financial Risks and Process Risks.

Strategic Risks (SWOT):

Strategic risks are identified by our department managers at the end of the internal and external environment analysis at the strategy management meeting. We write the risks and opportunities we identify after our strategy management meeting on the "risk assessment table". We determine actions for each risk and ensure that they are followed up by our authorized units. Afterwards, we review the actions we have taken before our 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 our Finance Director. Financial audit evaluates whether risks are managed appropriately. Our financial audit process is conducted by an independent company on behalf of the Board of Directors.

Process Risks (operational, process, environmental, OHS, energy, information management, etc.):

Covers identification of risks in the process and operational 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 extremely high (9). As a result of the grouping, we take action for all risks with a score of 6 and above and follow them up.

At our Risk Review meeting, we prioritize risks with a score of 6 and above. Risks with a score of 9 are also monitored by our General Manager. When necessary, we request the relevant actions from the responsible department in cooperation with which department. Lastly, we finalize our process by determining the date required for the completion of the work.



Ethics Management

As FARBA, we carry out all our activities with a management approach that is responsible, transparent, accountable and prioritizes our stakeholders. While realizing our ethical management, we observe our business ethics principles in all our processes and carry out our work in accordance with our business ethics. Thus, by regulating our relations with all our stakeholder groups, especially our employees, we improve our system in order to increase service quality, use resources effectively and prevent unfair competition.

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. It is also extremely important in terms of the political management of our company to notify us in case of any violation of our code of ethical behavior and to take the necessary actions in this direction.

Risk Score and Action:

At FARBA, we carry out "Corporate Culture and Ethical Values" efforts under the leadership of the General Manager and with our Human Resources department. We conduct self-assessments once a year to review our work and make improvements

Our Ethics Committee, which reports to the General Manager of FARBA, consists of people in the following positions.

We also want our business partners to act in accordance with our ethical principles. Accordingly, we explain ethical subjects in the on-the-job orientation programs of our suppliers and business partners and distribute the "FARBA Ethics Handbook" to employees.

Ethical notifications received by our company are e-mailed simultaneously to the Ethics Committee, which consists of the Human Resources Manager, Human Resources Director, and Deputy General Manager, and evaluated through our committee. If it is determined that an ethical violation has occurred, we apply all necessary sanctions. If you would like to provide any feedback to us in this context, you can reach us [here](#).

You can reach our Ethics Committee working under the leadership of our General Manager from the table below.

Ethics Committee Chairperson	General Manager
Ethics Committee Member	Director/Financial Affairs and Human Resources
Ethics Committee Member	Department Manager/Human Resources and Administrative Affairs

As FARBA, in line with our Human Resources Policy, we report inappropriate and unethical behaviors that our employees may be exposed to, such as theft, blackmail, threats, harassment, abuse, mistreatment, insult, various injustices, physical assault, mobbing and misconduct, to senior management via Canias FARBAnet ERP and Ethics Line. Feedback and notifications received on this matter are automatically transmitted to our Ethics Committee members through the system. Thus, we take the necessary actions regarding the relevant person or matter. In this context, in some cases, we hold meetings with our disciplinary board.

GRI 2-11; GRI 2-26; GRI 3-3; GRI 205-1; GRI 205-2; GRI 206-1



Our Sustainability Management

- Our Sustainability Management Structure
- Our Sustainability Policy
- Our Sustainability Approach
- Materiality Analysis
- Stakeholder Relations
- Supply Chain Management
- Our R&D Efforts

Our Sustainability Management Structure

Our Sustainability Committee, which operates within our sustainable management structure, is responsible for determining and reviewing our sustainability strategies, targets, risk, and opportunity analyses. As part of this, we organize periodic meetings every 3 months and take the environmental, social and governance dimensions of sustainability into account. Within our Sustainability Committee, we identify risks and opportunities related to our Ethics, Human Resources, Occupational Health, and Safety periods together and conduct evaluations.

Although our Quality and Assurance department is responsible for the sustainability activities of our organization, we continue our work with the support of all our other units. Our sustainability efforts, risk and opportunity analyses are reported to our Board of Directors every three months. Moreover, we present all our work within this scope to all our stakeholders through our sustainability report published every year.



Our Sustainability Policy

As FARBA, with the awareness that there is no other world, we focus on creating benefits for all our stakeholders and future generations with a sustainability perspective. In line with our mission, vision and core values, we aim for social, environmental and economic sustainability and support BMSKAs.

Our perspective on responsibilities;

SOCIAL

- Universal human rights are respected and supported under all circumstances.
- Employee Rights are respected and preferred workplace:
 - I. Business ethics rules are followed.
 - II. Full job security is provided.
 - III. Equality of opportunity, diversity, inclusion and development are supported.
 - IV. The rights to unionize, collective bargaining and association are respected.
 - V. Discrimination is not allowed.
 - VI. Care is taken to balance work and private life.
 - VII. A participatory management approach is applied.
- Throughout the value chain and product lifecycle, health, safety and environmental impacts are cared for, managed and shared transparently.
- It takes its responsibility towards society seriously. It supports volunteering and social responsibility activities.
- It considers anti-corruption and bribery as its main responsibility, and conducts its business and transactions with this understanding.
- Legal Regulations are considered as a minimum requirement and all management processes are managed in a transparent, fair, responsible and accountable manner.
- Participation in professional associations is ensured and supported.
- BMSKAs are supported.



ENVIRONMENTAL

- Environmental protection and careful use of resources are the focus of all processes.
- The most effective use of Natural Resources is part of the works.
- For less waste, waste is reduced at the source. Zero waste management is implemented.
- Renewable and efficient energy is used with Energy and Carbon Management.
- Environmental effects are controlled with the Environmental Management system.
- Environmental impact is minimized in products and raw materials.
- Effects on the ecosystem are always taken into account.

ECONOMIC

- The Value Chain is managed responsibly. Continuous development and improvements are made.
- Quality is at the center of all business.
- Maximum economic value is produced.
- Institutional risks are managed strategically, operationally and financially, and this culture is kept alive.
- Business continuity is ensured.
- Independent audits are carried out.
- Work is carried out with suppliers that comply with human rights-equal opportunity-business ethics-safe working environment-all laws and FARBA values.
- Innovative and R&D culture is maintained.
- Corporate entrepreneurship is supported.
- Knowledge and knowhow protected under all circumstances.

As Farba Automotive Inc., we fulfill the requirements of our responsibilities in line with all these principles and in accordance with laws and regulations. We work with all our strength for the World and our stakeholders through transparent and accountable relations with all our stakeholders.



Our Approach to Sustainability

As FARBA, we aim to fulfill our environmental, social, and economic responsibilities with our sustainable management structure. For this reason, we act in accordance with the United Nations Development Goals and strive to shape our work in this direction. Therefore, we adopt raising public awareness and protecting the environment as our primary goals. This is why we always act with an improvement approach in our work, and therefore, we have included the Sustainable Development Goals that we take as reference and pay attention to implement while continuing our activities below.

SKA 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 10.6% in 2022 compared to previous years. With our future efforts, we will increase this rate by 12% in 2022 and by 12% in 2030. We aim to increase it by 15%.



SKA 7: Affordable and Clean Energy



We pay attention to using dependable, sustainable, modern, accessible, 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. Based on this, we want to increase the 30% green energy utilization rate that we set as a target in 2022 to 30% in 2023 and to 50% in 2050.

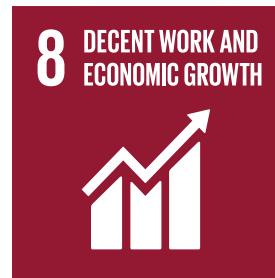
We aim to provide approximately 10% to 20% of our energy consumption from solar energy to reduce our air emissions and meet our energy needs from renewable energy in line with the use of accessible and clean energy. Towards this end, we continue our solar energy feasibility studies. We also aim to reduce air emissions by increasing our rail and maritime transportation capacity in the coming years. Our clean energy utilization efforts will be calculated in line with ISO 14064:2018. In line with our calculations, we anticipate a 3% reduction in our air emissions in 2023 and a 10% reduction in 2030.

SKA 12: Responsible Consumption and Production

We started to use rainwater and recycled water to reduce the use of fresh water in our operations.

In 2022, we obtained 5% of the total amount of water used from recycled water and rainwater. With our efforts in this direction, we increased the use of clean water by 5% in 2023 and 5% in 2030. We aim to reduce this by 20%.

With the aim of reducing the waste generated from our operations, we invested in recent technologies to ensure the efficient use of cardboard packaging. Our total waste, which has decreased compared to previous years, improved by 23% compared to last year with 68 tons this year. We continue our efforts in this direction and aim for a 25% reduction in 2030 and 30% in 2050.



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 go through the process of measuring and evaluating the work we have done with the surveys we conduct with our employees. In 2022, we calculated our satisfaction rate as 62% on average. As a result of our efforts, we aim to increase this rate to 65% in 2023 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 on ethics and human rights, and we aim to continue our success in this area in the coming years.

SKA 8: Decent Work and Economic Growth

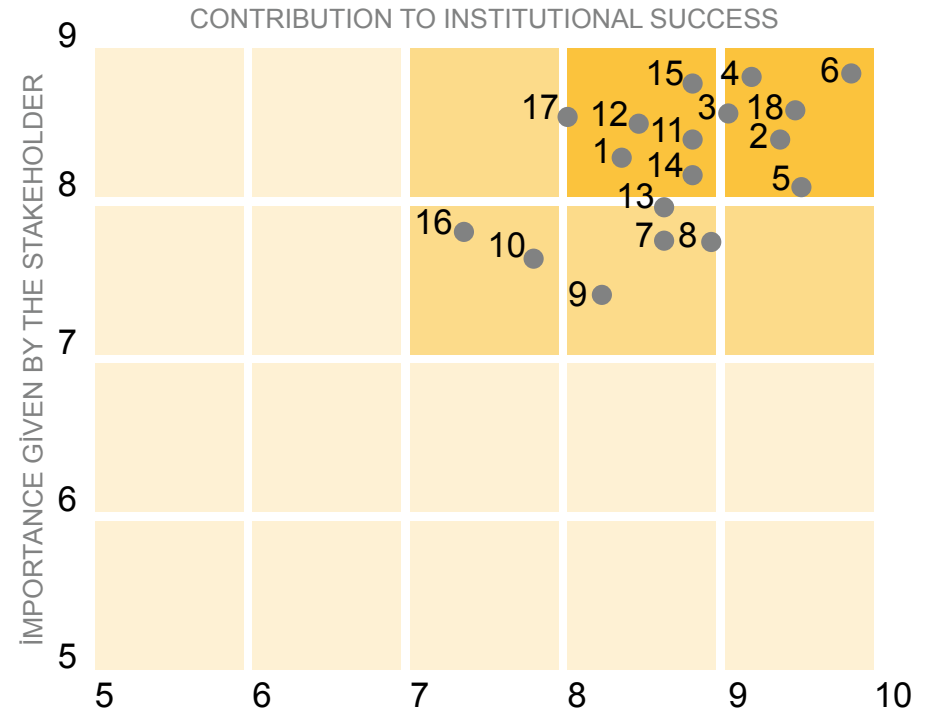
As FARBA, we care about our stakeholders in the supply chain on behalf of the environment, society, and our employees. We take into account that the companies in the supply chain, with which we work or will work, are sensitive about carbon emissions. We request reporting from companies so that their emissions are transparent and traceable. We are also committed to obtaining commitments from companies in our supply chain to reduce their carbon emissions. For supply chain emission values, which were 23% in 2022, we aim for a 30% reduction in 2023 and 80% reduction in 2030.

We find the environmental, social and governance interactions in our company highly valuable. We are aware of the necessity of sustainability in every area in order to increase these interactions. Accordingly, we conduct sustainability audits 4 times a year at equal intervals by our senior management through GRI-SDP reports. As a result of these audits, we determine the next year's targets.

Materiality Analysis

In 2022, we conducted a Stakeholder Analysis and Stakeholder Dialogue within our Sustainability Committee and assessed our priorities in line with numerous studies and the opinions of our stakeholders. As a result of our assessment, we also took into account global trends, our partners in internal and external stakeholders, sectoral risks and international guiding principles and outputs in the field of sustainable development such as the Global Compact, CDP (Carbon Disclosure Platform, Carbon Disclosure Project).

The survey, in which the strategic importance of material subjects for the organization and their importance for stakeholders were evaluated and scored together, we have shown the 28 most prominent topics and all the matters evaluated in our materiality matrix below. As a result of the analysis of the matrix, FARBA identified our 1st, 2nd, and 3rd degree important sustainability themes.



1st Degree Material topics

- 1 Economic Performance
- 2 Energy
- 3 Anti-Corruption
- 4 Risk Management
- 5 Customer Health and Safety
- 6 Occupational Health and Safety
- 11 Employment
- 12 Education and Training
- 14 Procurement Practices
- 15 Labor/Management Relations
- 18 Anti-Competitive Behavior

2nd Degree Material

- 7 Water and Wastewater
- 8 Wastes
- 9 Emissions
- 10 Contribution to Society
- 13 Digitalization and Use of High Technology
- 16 Prevention of Discrimination
- 17 Diversity and Equal Opportunity

Relations with Stakeholders

We define our stakeholders as individuals and institutions that are affected by our activities today and in the future and that may have one of the most important impacts on the success of our organization. Our communication and collaborations with our stakeholders constitute one of the fundamental elements of our company's value creation model. We establish dialog with our different stakeholders through various channels and include their views in our decision-making processes.

Our stakeholders consist of Business, Governance, Society, Collaborators, Suppliers, Customers and Employees. We act with an awareness of our responsibilities towards each of these groups.

As part of this, we assess the priorities and demands of our stakeholders through comprehensive communication and a well-functioning feedback mechanism. We also set our sustainability goals with the active participation of our stakeholders and shape our plans accordingly. Thanks to our organization's sustainability approach, we establish deep-rooted relationships with our stakeholders with a vision of sustainability, and we are getting closer to our goal of creating long-term value every day. Through the communication platforms we have created to this end, we evaluate the expectations and concerns of our stakeholders together as an organization.





CUSTOMERS

SOCIETY

BUSINESS AND GOVERNANCE

SUPPLIERS AND COLLABRATORS

EMPLOYERS

INTERN

MESS

TOSB

TAYSAD

Neighboring Factories

Hatice Bayraktar Vocational High School

Shareholders

MIT

MEUCC

MENR

MLSS

Service

Direct

Indirect

Lighting Plant External Customers

- TOGG
- FORD
- TOYOTA

Electronic Plant External Customers

- Eldor Turkey
- Eldor Italy
- Eldor Us

Lighting Plant Internal

- AYGERSAN
- odelo Turkey

Electronic Plant Internal Customers

- odelo Slovenia
- odelo Bulgaria
- odelo China
- AYGERSAN

odelo Bursa

Gebze Technic Uni.

Kocaeli University

Supply Chain Management

The logistics network of all logistics activities from the supply of raw materials for the manufacturing of a product until that product reaches the consumer is called the supply chain. The network design problem, which includes sub-problems such as determining the number and location of the elements in this network structure, determining the amount of physical flow between each other, has a strategic importance in supply chain management.

Our Supply Chain Management ring is given below.



As FARBA, we act with mutual trust, transparent standards, and open communication with all our suppliers with a win-win approach. Minimizing our sustainability-related risks in our value chain and acting in accordance with our organization's sustainability policy and strategies are among our top priorities. In this direction, we make the necessary arrangements and evaluations for our supply chain.

The practices we use in our Supply Chain are as follows.

- AVL/QPL Management
- PCN Management
- Compliance with Customer Requirements (AEC-Q components)
- ERP System
- EDI Connection
- Automatic storage for components, Kardex
- FIFO
- Moisture Sensitive Component Management
- AVL/QPL Management
- PCN Management
- Compliance with Customer Requirements (AEC-Q components)
- ERP System
- EDI Connection
- Automatic storage for components, Kardex
- FIFO
- Moisture Sensitive Component Management

We evaluate the risky situations that may occur in our supply chain for our stakeholders through our operations. In this context, we aim to monitor and manage our social, economic, and environmental impacts and create our action plans in this context by using proactive methods.

In our procurement unit, we conduct monthly and annual supplier monthly performance and service supplier annual performance evaluations.

Our Supplier Performance Criteria are listed below:

1. Sub-Industry Supplier Monthly Performance Evaluation (Monthly)
2. Service Supply Industry Performance Evaluation (Yearly)
3. Cost Reduction Performance (Quarterly)
4. Price Increasing Material Tracking Performance (Quarterly)
5. Raw Material Price Monitoring Performance (Quarterly)

2022			2021			2020		
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-%)
116	116	100	106	106	100	112	112	100
116	116	100	106	106	100	112	112	100

When selecting our suppliers, we check the existence of OHS, Environmental Management Systems and requirements, and ensure that our expectations regarding employee conditions and human rights are communicated through letters. We also provide training to our suppliers on sustainability. By 2023, we aim to increase the training and audits we offer accordingly.

Our total number of suppliers is given below.

By Number of Suppliers	2022	2021	2020
TOTAL	875	820	845
Local (In-country)	400	365	380
Environmental criteria evaluated according to	30	28	20

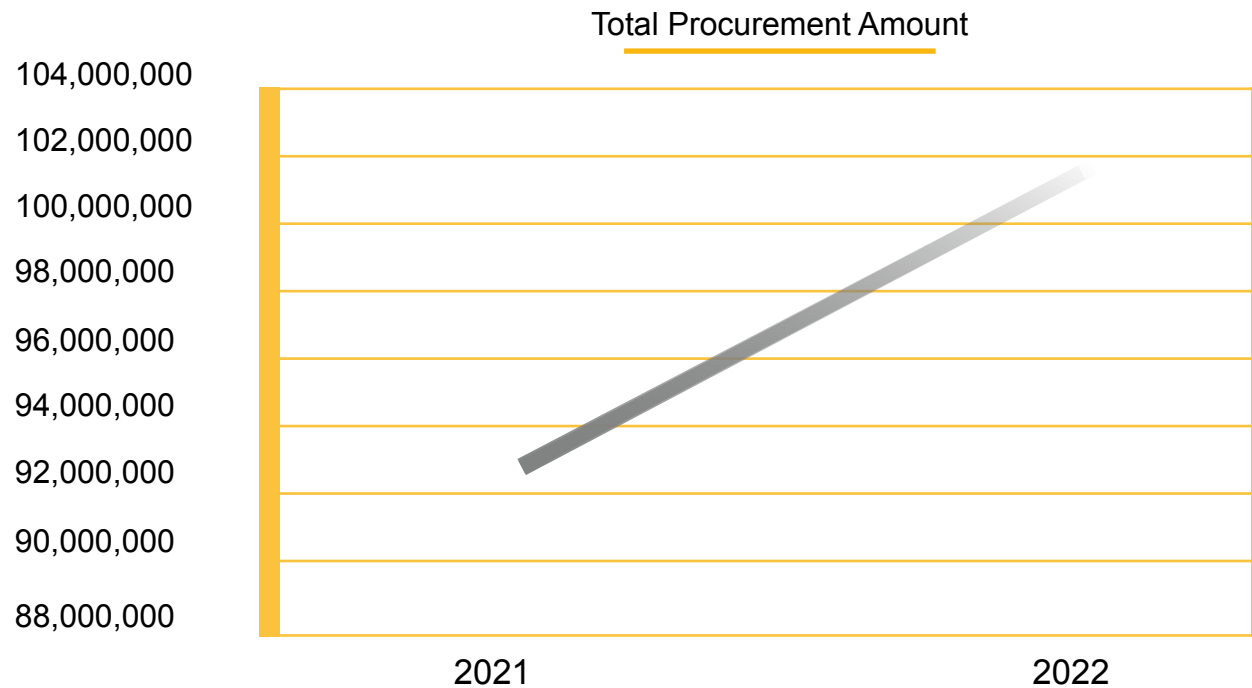
Our total supply volume is given below.

Supply Volume Amount (€ Million)	2022	2021	2020
TOTAL	102	93	58
Local (In-country)	30	19	18
Environmental criteria evaluated according to	1.1	1	1.2

The number of our main suppliers is given below.

	2022	2021	2020
Where Suppliers Are Located Number of Countries	10	9	9
Number of Suppliers	20	20	20

As FARBA, within the scope of the sustainable and sensitive supply chain we aim to provide, the number of supplier countries we evaluate according to environmental criteria is 10 and the total number of our suppliers is 20. In addition, our total supply amount, direct and indirect, was calculated as €93 million in 2021 and €102 million in 2022. Therefore, we achieved an increase in our supply amounts and the number of sustainable and environmentally sensitive suppliers we targeted in 2022.



Material Purchase			
Material Components (tons)	2022	2021	2020
Paper	32	28	21
Electronic	2.13	1.4	1.8
Plastic	1,682	2,056	1,500
Glass	0.3	0.4	0.2
Metal	23.24	25	21
Food	21	20	20
Total	1,760.67	2,130.8	1,564



Our R&D Efforts

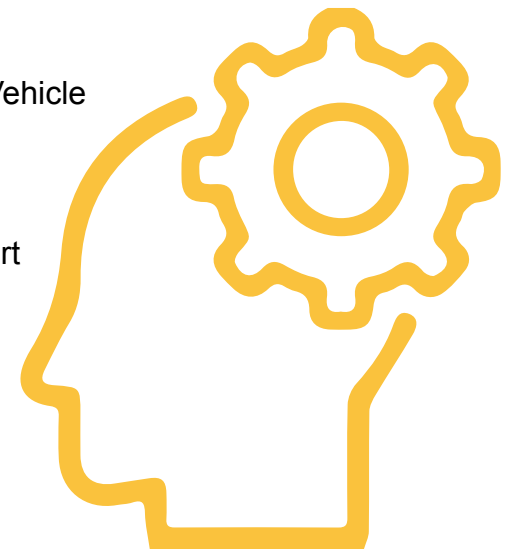
As FARBA, our goal is to adopt digital transformation as our corporate culture in all our product and service processes and to prepare the ground for our entire organization to have the flexibility required by the digital age. Therefore, we adopt the goal of continuous improvement and excellence. In addition, we care about the satisfaction of our stakeholders and strive to maximize customer satisfaction with our value-oriented products and solution methods. As a product of this strategy, we produce headlamps and rear lamps in our modern facility in TOSB (Automotive Supply Industry Specialized Organized Industrial Zone) with our competent employees, advanced technology equipment and machine parks.

However, we closely follow the technological developments in the sector and invest in digital transformation projects. That is why, following our decision to move forward with the new Enterprise Resource Planning (ERP) system in 2019, which we believe will provide flexibility and speed to our company, we have taken steps to strengthen our IT infrastructure in 2022, improve IT-OT Cyber security processes and improve the processes integrated with ERP. We have also developed designs suitable for wireless charging, type C and usb charging, which we produce as automotive interior accessories.

As a result of our active work on R&D, we received the R&D center certificate award in 2021, and we believe that we will be among the most innovative companies in the sector in the coming period with our work in this field.

As the FARBA family, our R&D investments in 2022 were related to the following tasks.

- TOGG Sedan & HB ASK Concept Development Project
- GG Development of Led Rear Lamp for Domestic Electric Vehicle Project
- Headlamp Manufacturing Technology and Process Development Project for Toyota New C-HR 130D Vehicle
- Development of Daytime Running Lamp (DRL) for TOGG Domestic Electric Vehicle Project
- Dual Function (Bi-LED) Next Generation Module Development Project
- Module Development Project with DLP (Digital Light Processing) Technology for New Generation Smart
- Modular ASK Concept Development Project with Standard LEDs
- Powered Qi Wireless Charging Station Project for In-Car Smart Devices
- Type-C Communicating High Power Charging Station Project for Mobile Devices
- TOGG Sedan & HB ASK Development Project Phase II
- Development of a Converter for the Use of 12 V Standard Products in Heavy Vehicles



The number of our main suppliers is given below.

	Female		Male		Total	
	2022	2021	2022	2021	2022	2021
Number of R&D Employees	8	7	46	44	54	51

Our Targets

In 2021, with the establishment of our R&D center, our medium, long, and short-term goals that we have created to address our accelerated work are given below.

Our Short-Term Targets:

- Contributing to the creation of national benefit and domestic know-how by taking part in all domestic automobile development projects that will add value to our country.
- Establishing an integrated R&D structure within the group through R&D, innovation, and technology methodology.
- To ensure the continuity of technological development by conducting process design and production method development projects necessary for the introduction of recent technologies into the production infrastructure.
- To increase FARBA's competitiveness by developing new techniques and technologies in cost reduction and quality improvement efforts.
- Increasing the number of technological product R&D projects brought to FARBA through projects in which concept design is involved.
- To increase academic knowledge by developing new collaborations with universities and joint project development efforts.

Our Medium-Term Targets:

- To develop value-added products with high technology that can meet customer expectations, among these technologies, to develop a module product related to DLP in the medium term and to bring this technology to our country, on the other hand, to add the Bi-LED module, which also contains high technology, to our product range.
- Increasing the number of products with original product designs, patents, and industrial design registrations.
- Making knowledge sharable by presenting papers and posters at national and international conferences.
- To contribute to the literature by transforming the studies into articles that can be published in international refereed journals.
- To increase the quality of staff by increasing the number of master's and doctoral students/graduates.
- Increasing the number of international projects and increasing the number of projects in vehicles in the global market.
- To increase the number of R&D center personnel by 25%.
- Increasing the turnover generated from original products resulting from R&D and the export share of this turnover.
- To carry out innovative R&D projects on automotive electronics and expand the product range with the new employment in the R&D Center.
- Adaptation and commercialization of "Wireless Energy Transfer" and "USB Charging Support", which are new generation technologies, to automotive.

Our Long-Term Targets:

- To develop and offer the products of the future to the sector and customers by staying one step ahead of the market and customer expectations.

As FARBA, we evaluate the risks in our innovative transformation and digitalization journey, as well as our R&D employees, and we evaluate the subject of Information Security in this context. Concerning this, our FARBA Information Management process consists of a structure that supports all our other processes in the organization. In parallel with our internal goals, we also have extra departmental goals to realize these goals. Therefore, through our ISO 27001 Information Security Management System certificate, we protect our information assets and carry out effective work in terms of information security. In order to fulfill our Information Security targets, we continue to invest in hardware, software, and human resources throughout our company. We also make budget planning for fixed expenses and new investments every year.



Environmental Management

- Environmental Management System and Environmental Performance
- Climate Change
- Greenhouse Gas Emissions
- Energy Management
- Water Management
- Waste Management
- Our Occupational Health and Safety Approach

Environmental Management System and Environmental Performance

Protecting the environment and preventing climate change is crucial for leaving a more livable and cleaner environment for the future. As a company aware of the importance of our natural resources, we pay attention to protecting our environment, minimizing our impacts, and raising awareness of society on this topic. Therefore, we comply with ISO 14001 Environmental Management System and ISO 50001 Energy Management System standards as internal audits and fulfill all legal requirements in our processes. We conduct our external audits through TÜV NORD. We follow the legal regulations related to environmental management within the scope of the "FARBA OHS & Environmental Monitoring Measurement Plan".

In order to protect the environment and keep it cleaner, we regularly sort and recycle waste in our factory. We also treat industrial wastewater and recycle it back into the process and use environmentally friendly energy to prevent air pollution. Apart from this, we try to use our resources efficiently by trying to prevent production-related pollution,

We take various actions and make improvements on this topic. In this way, we integrate an environmental management system that we have developed by meeting the needs and expectations of all our stakeholders today and for the future. Thus, we realized a total environmental investment of TL 100,000 in our company in 2022.

As FARBA, our units and committees responsible for environmental management are listed below.

Our Lighting Facilities:

- Environment & Occupational Safety Unit
- OHS & Environment Chief
- OHS & Environmental Specialist
- OHS & Environment Department Supervisors
- OHS & Environment Field Supervisors
- Environmental Consultants

Our Electronic Facilities:

- Environment & Occupational Safety Unit
- OHS & Environment Chief
- OHS & Environment Specialist
- OHS & Environment Department Supervisors
- OHS & Environment Field Supervisors
- Environmental Consultants



As FARBA, we ensure the controls of the Environmental Management System targets set by our Committee, and are conducted by the management from a sole source.

Our practices in this regard are given below.



- We aim to reduce fluorescent waste to zero by increasing the use of LED instead of fluorescent in our factory lighting systems.
- We reduce waste oil rate by oil separation in our nitrogen tank recycling water.
- We save water by using photocell faucets in our sinks.
- We select the motors we use in the factory with high energy efficiency.
- By placing transparent polycarbonates on our factory roof, we meet the need for light inside the factory production from daylight.
- We prevent unnecessary energy consumption by replacing production interior and exterior lighting with sensors.
- We are an intermediary in the delivery of domestic waste oil and batteries to licensed recycling companies.

We celebrate "Environment Month" in June every year to raise environmental awareness. We play an active role in raising environmental awareness through our social activities and support the prevention of environmental pollution through our social responsibility projects.

We are aware that strengthening our management infrastructure is of particular importance for improving our environmental performance. Hence, we take the economic impacts of environmental risks into account and accelerate our decision-making processes. We also work to manage environmental impacts as part of risk management.

As a result of the analyzes we carried out according to the Risk Assessment Forms;

- In our waste generation, natural resource consumption and waste disposal, we pay attention and care that both we and our stakeholders comply with legal regulations, have environmental management systems, and that their disposal and recycling are in the most environmentally friendly manner.
- We conduct environmental risk and opportunity analyses at every step and take the necessary measures. 14001:2015 Management System requirements are guiding us in this context.
- In every field; we have responsible people who follow up OHS, Environment and Energy processes.
- In the energy management system, we have determined that we do not have an energy monitoring system, so we are establishing an energy monitoring system with the support of senior management, revealing potential points, and making improvements.

- When we experience prolonged power outages, we ensure that vital functions are fully secured by providing equipment that can tolerate this situation in the process, and we do not victimize our customers by not interrupting our production.
- When we experience long-term natural gas interruptions, we keep highly limited gas usage areas to avoid problems and make sure that these facilities have 2 days of additional stock. In this way, we eliminate risks such as uncomfortable working environment or delivery disruption.
- We attach immense importance to the quality of the environments in which our employees work; we have regular maintenance and spare compressors to avoid air compressor problems that may occur.
- In our production processes, as we move forward with project-based machine investments, we replace old machines with new machines with high energy efficiency. This moves us forward in both environmental and technological terms.
- In order to minimize air consumption in our deionizers, all deionizers to be purchased are selected to operate electrically.
- To keep up with the changes in energy legislation, we have experts who constantly follow up.
- We make annual energy agreements in order to make the change in energy costs correctly.
- In order to increase technical competence, our company continuously supports the necessary training and technical development. With the support of our management, the technical team is kept at a proficient level in terms of knowledge. They can take action and manage the process when necessary.
- Risk factors such as occupational accidents, loss of prestige, fines or service interruption are minimized by managing topics such as compliance with legal regulations, routine audits, and trainings, resolving the hazard at the source and managing the process well.



Climate Change

As the problem of our age, the above-average increase in temperatures around the world causes climate change and causes the catastrophe of global warming.

The economic, environmental, and social impacts of climate change and the risks arising from climate change that the world is exposed to are important for all living beings, and measures need to be taken.

Gases that have a greenhouse effect are gases that cause the sun's rays reflected from the earth to be retained in the atmosphere and cause the Earth to warm up. The release of these gases into the atmosphere is called greenhouse gas emissions. The increase in greenhouse gas emissions is one of the crucial factors causing climate change.

CO₂ emissions resulting from the consumption of primary energy resources have the highest share in greenhouse gas emissions. In the automotive sector, CO₂ emissions are generated by the vehicle and a sizable portion of them throughout its life cycle are emissions from the products and services provided by suppliers.

According to the Turkish Automotive Main Industry Sustainability Report, a quarter of the greenhouse gas emissions in the EU are emitted by the transportation sector.

For this reason, we conduct our collaborations by taking the necessary measures and making various improvements in this regard, and we continue our activities with an environmental management approach that takes the life cycle into account.

While continuing our company activities, we attach importance to the risks brought by the climate crisis, transition to a low carbon economy, reducing greenhouse gases and adapting to changing climate conditions. We attach importance to energy saving, use energy-saving production equipment and production technologies, use raw materials that cause lower CO₂ emissions, and work to reduce CO₂ emissions at sales sites.



Greenhouse Gas Emission Values

As the FARBA family, we are working to minimize greenhouse gas emissions and combat climate change both in our fields of activity and with our stakeholders in the supply chain.

Our emission amounts for 2022-2021 and 2020 are given in the table below.

	FARBA 2022	FARBA 2021	FARBA 2020
Scope Name	TOTAL Emission (tCO₂e)	TOTAL Emission (tCO₂e)	TOTAL Emission (tCO₂e)
Category 1 Direct GHG Emissions	834.57	798.46	920.71
Category 2 Imported Energy DSGE	5,621.49	6,035.75	7,818.06
Category 1+ 2	6,456.07	6,834.21	8,738.77
Category 3 Transportation DSGE	3,751.75	2,217.31	643.90
Category 4 DSGE by Product Used by the Organization	9,373.66	10,147.14	149.52
Category 5 DSGE due to the organization's products/services	5.28	-	149.52
TOTAL	19,586.76	19,198.66	9,532.19

*DSGE: Indirect Greenhouse Gas Emissions

The ISO 14064-1 2006 version used for the corporate greenhouse gas inventory calculation expired at the end of 2021 and was replaced by the ISO 14064-1 2018 version. Therefore, while the emission data of our organization for 2020 was calculated in accordance with ISO 14064-1 2006 standards, our emissions for 2021 and 2022 were calculated in accordance with ISO 14064-1 2018 standard. The reason for the increase in emissions between 2021 and 2022 compared to 2020 is due to the new activities that the current standard requires to be included in the calculation process.

We act with the awareness of our environmental responsibilities to protect our natural resources by reducing the energy and emission intensity of our products. We also continue our fight against climate change by keeping our emission intensity under observation.

Unit Carbon Footprint Category1+2

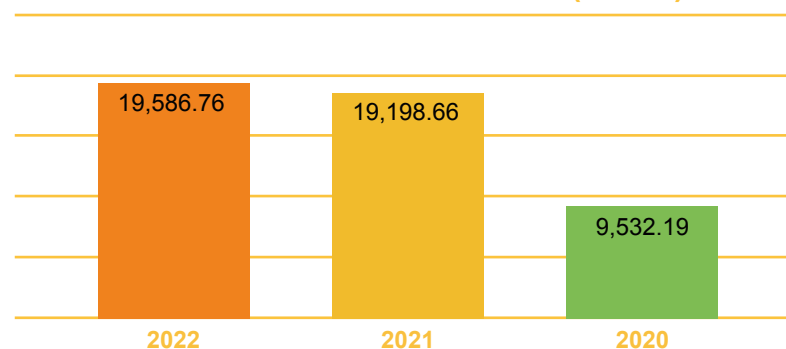
2022 (tCO ₂ e/pcs)	2021 (tCO ₂ e/pcs)	2020 (tCO ₂ e/pcs)
0.0002	0.0006	0.0007

Unit Carbon Footprint All Categories Included

2022 (tCO ₂ e/pcs)	2021 (tCO ₂ e/pcs)	2020 (tCO ₂ e/pcs)
0.0007	0.0016	00008

- In 2022, FARBA's total production is calculated as 27,967,346 units. Calculated according to the total emissions of all categories subject to the ISO 14064-1:2018 greenhouse gas inventory report for 2022, the unit carbon footprint per production unit is calculated as 0.0007 tCO₂e/.
- In 2022, FARBA's total production is 51,300,318.17 kg. Calculated according to the total emissions of all categories subject to the ISO 14064-1:2018 greenhouse gas inventory report for 2022, the unit carbon footprint per production unit is calculated as 0.0004 tCO₂e/kg.

FARBA Emission Trend (tCO₂e)



Energy Management

Energy is an integral part of our operations, from production to the supply chain.

By using our resources rationally, ensuring energy efficiency and integrating renewable energy sources, we contribute to our business processes and reduce our impact on the environment.

The importance we attach to energy management is at the center of our Company's sustainability vision in order to act with the needs of future generations in mind and to ensure long-term growth in our sector.

In our sector, where environmental impacts resulting from production activities are closely monitored, we see it as a fundamental element to both increase the efficiency of our business operations and reduce environmental problems through energy management, which is one of our focal points.

Through our Energy Management Systems, we regularly monitor and analyze our energy production and consumption and strive to create a more efficient system. We also develop projects in line with our goals and continue our journey in the sector to be better at every step.

With our energy management;

- We prioritize renewable energy sources and increase our energy efficiency efforts by reducing carbon emissions.
- We care about the use of green energy and consider all aspects of all processes, designs, and equipment, including energy efficiency, in terms of environmental protection.
- We comply with all legal regulations on the purchase, transportation, storage, use and reduction of hazardous wastes arising from the use of chemical substances, and we never use banned substances during production.
- We continuously improve the use of chemical substances in accordance with technology, and we produce using materials suitable for the environment and human health.
- We comply with all legal and local environmental board decisions; we increase our employee awareness by making continuous improvements to prevent environmental pollution and reduce impacts.
- We organize our environmental practices and reporting to meet the requirements and expectations of all relevant stakeholders.



We analyze our processes through our energy department representatives at regular quarterly meetings. We conduct SWOT Analyses to assess potential problems or opportunities and evaluate our performance ratio in our meetings. We then quickly implement the necessary improvements and systemic innovations.

We constantly renew our mechanisms by following new technological developments and creating a system to continuously reduce the energy consumed per unit of product. Thus, we take measures to prevent waste by realizing the rapid detection of energy consumption.

Our best practices in energy management realized in 2022 include;

- Supply of air leakage device for the detection of leakage points throughout the factory,
- Heat pump application for surface treatment plants,
- LED lighting transformation,
- Transition to automation systems,
- In order to save natural gas, thermostatic valves are added to the heating coils of the administrative building.



Expenditure Item	Amount (€)
Heat Pump Operation	58,960
Ceiling Fixture Replacement	29,412
Compressor Replacement	25,000
TOTAL	113,372

Energy Expenditures	Amount (TL)
Electricity Consumption	36,653.311
Natural Gas Consumption	1,494.318
TOTAL	38,147.629

I-REC (Renewable Energy Certificate) developed by RECS International is an international certification system that certifies that electricity is produced from renewable energy sources. As FARBA, we received IREC Certificate in 2022 with 3,998.501 kWh (30% of annual electricity consumption).

The monthly consumption percentages we expect after regression analysis are shown in the table below.

Target	Base Year	Target Completion Year	Reporting Year	Realization Status in the Reporting Year
To be within max. 5% of the expected monthly consumption after regression analysis (for electricity)	2021	2022	2023	11.50
After regression analysis to be within max. 5% of expected monthly consumption (for natural gas)	2021	2022	2023	-15.90
Monthly electricity consumption to turnover ratio not exceeding 1.5%	2021	2022	2023	2.21
The ratio of monthly natural gas consumption to turnover not exceeding 0.15%	2021	2022	2023	0.08

In our monitoring activities, we continuously monitor electrical energy with up-to-date technologies using our production equipment and field analyzers, which we access via Browser, and continuously record the measurement data. We continue to work on integrating this system with Canias.

As FARBA, we act with a focus on the environment in all our activities and within the scope of our energy management; we comply with national and international legal regulations and other obligations related to the environment and energy. We continue our efforts to ensure the sustainability of our Environmental Management Systems.

We are proud to report our significant achievements in energy efficiency and resource management thanks to our determination and dedicated efforts in the past period. Through our detailed analyses and the innovative approaches, we have adopted, we have succeeded in reducing operational costs and significantly reduced our environmental impact through our energy efficiency initiatives. Moreover, the investments we have made to ensure a more sustainable use of our energy resources and our shift away from fossil fuels and towards renewable energy sources are a reflection of our commitment to the future.

The contribution of our employees to our activities in this process is of great benefit. We reinforce the commitment of our entire team to our sustainability goals through our training programs and internal communication efforts to save energy.

We also play a role in raising sustainability awareness across the industry through the projects we realize in cooperation with industry stakeholders.

We are committed to maintaining and increasing our achievements in the field of energy management for the coming period. We will also continue to work on energy efficiency and resource management by combining innovation, technological progress, and compliance with industry standards. Our aim is to contribute to a cleaner, greener and more energy efficient future by supporting sustainability both within the company and in the industry.

Cleaner Greener



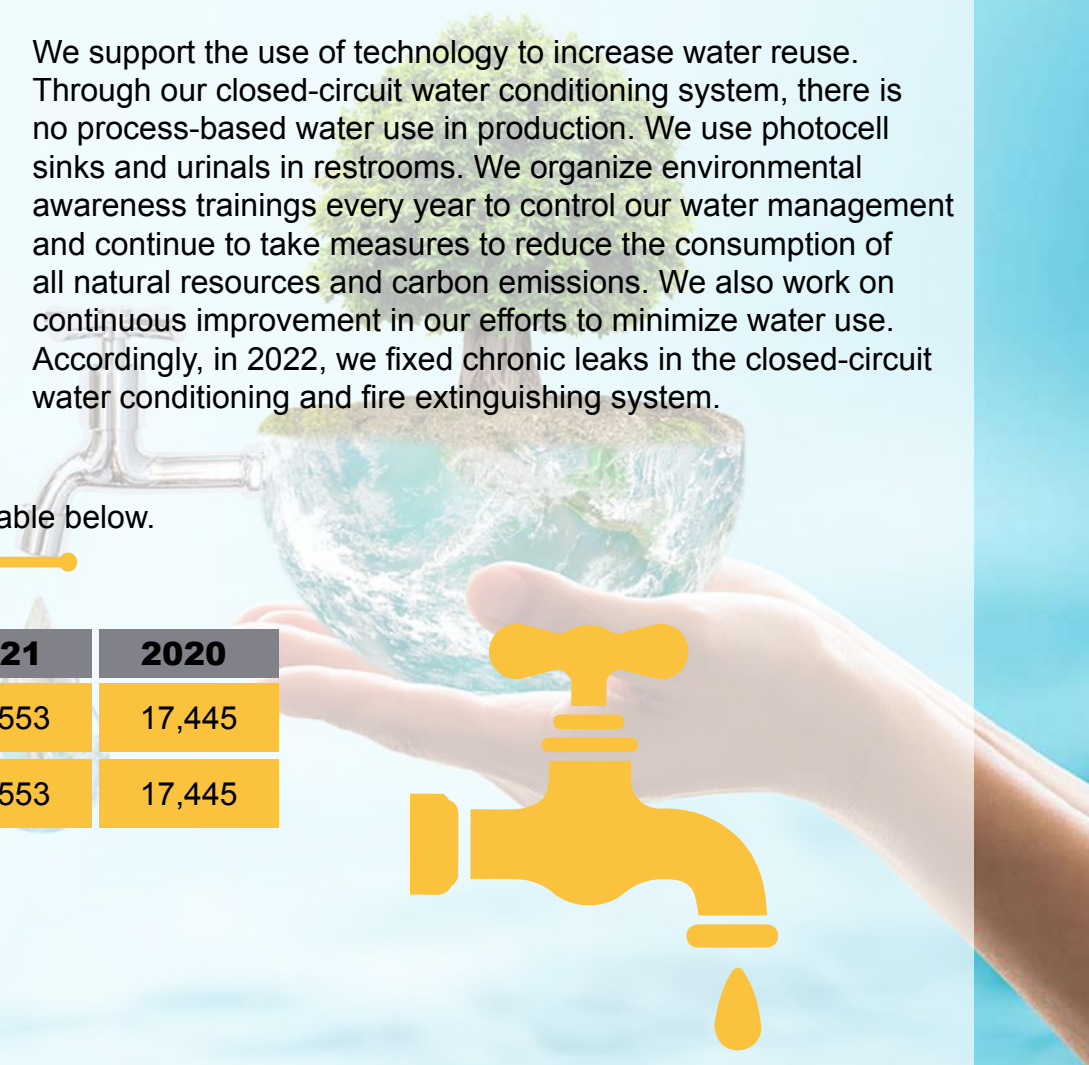
Water Management

According to United Nations data, the world's clean water resources are rapidly depleting due to lack of precipitation caused by global warming, excessive evaporation, rapid consumption, and pollution. At this point, effective and efficient use of water resources is extremely important. Sustainable water management is an approach that aims to protect and efficiently use water resources in the long term. With this method, the integrity of all ecosystems is protected, while at the same time meeting the needs of current and future generations. As FARBA, we adopt a responsible water consumption and management approach in our operations.

We support the use of technology to increase water reuse. Through our closed-circuit water conditioning system, there is no process-based water use in production. We use photocell sinks and urinals in restrooms. We organize environmental awareness trainings every year to control our water management and continue to take measures to reduce the consumption of all natural resources and carbon emissions. We also work on continuous improvement in our efforts to minimize water use. Accordingly, in 2022, we fixed chronic leaks in the closed-circuit water conditioning and fire extinguishing system.

In 2022, our actual water consumption amounts are shown in the table below.

Activity (Tons)	Source	2022	2021	2020
Water withdrawal amount	Water from the mains	21,581	16,553	17,445
Amount of water discharge	Sewerage	21,581	16,553	17,445



At FARBA Automotive Lighting Plant, water is used for cooling or heating in plastic injection molds and machines, for cooling in coating machines, and for ambient air conditioning in surface treatment facilities. For this reason, all the water consumed has closed circuit systems and there is a principle of continuous cycle of the same amount of water. As such, the fresh water supply is quite minimal and there have been no major changes in the number and size of equipment that would affect consumption within the company in the years subject to the report. The main item of water consumption is the consumption of water for personnel use and garden irrigation systems. During the summer months, garden irrigation activities constitute a sizable portion of consumption. The increase in the number of dry days due to seasonal variations is the most important situation affecting consumption. We understand this situation from the CDD "Cooling Degree Day" data, which is a meteorological statistical information.

CDD value is used to track the distance to 22°C room temperature. For example, in Istanbul Kartal, the closest measurement station to our factory for July 2023, this value was realized as 113. The value 113 is found by summing the average temperatures hour by hour, day by day, and their distances from 22°C.

For clarity, it can be explained as follows. If on July 10, between 15:00 and 16:00, the average temperature was 32°C, the corresponding value is,

$$\text{CDD} = 32 - 22 = 10^\circ\text{C} \text{ will be.}$$

The CDD value of the relevant month can be found.

The table below shows the CDD values for the years subject to the report.

Year	2022	2021	2020
CDD	376	308	305

However;

Our other important water user is considered to be our personnel. Personnel number variations and/or total number of personnel during the year have been requested from the HR department for the relevant years. The data can then be included in the evaluation.

In summary;

While the increase in consumption due to the increase in dry days over the years can be understood, the increase in the amount of consumption according to the number of personnel and/or personnel consumption habits cannot be evaluated with the available data.

Production processes, induced consumption growth is not assessed.

Waste Management

The concept of circular economy, as an effective economic model for waste and resource management, ensures that waste is reduced to the lowest possible level. Waste management is one of the most important pillars of the circular economy as a discipline that covers production, consumption, waste generation, recycling or disposal of waste, starting from the design phase of any product.

As FARBA, we act meticulously at this stage regarding our waste management. As with our other environmental management processes, we continue our activities in compliance with laws and regulations in waste management, and we also work to raise environmental awareness among our employees and stakeholders. We also manage our waste management approach according to ISO 14001 Environmental Management System principles.

During this process, we provide disposal/recycling processes with licensed companies by providing information flow via e-mail by our factory waste officer. We dispose of all our wastes. Besides, as an institution, we aim to ensure full compliance with legal regulations by working with licensed waste companies in the coming period to protect biodiversity.

Waste quantities for the last 3 years are shown in the table below.

WASTE INFORMATION(Tons)	2022	2021	2020
	Waste Generated	Waste Generated	Waste Generated
Paper	27	32	19
Electronic	0	0.4	0.3
Plastic	10	5	3
Glass	1.6	0	0
Metal	1	0.6	0
Other	43	49	38
TOTAL	82.6	87	60.3



Evaluation of year-based waste;

Changes in the amount of waste during the year vary depending on the number of production units and machinery-equipment-related breakdowns-maintenance works and subcontractor labor during the year.

We conduct audits on our waste management through internal and external audits on a monthly basis. We evaluate risks and opportunities in the field of waste within the framework of risk opportunity analysis.

The amounts of hazardous and non-hazardous waste for the last 3 years are shown in the table below.

Waste Types	Unit	2022	2021	2020
Amount of hazardous waste	gr/piece	19	18	19
Amount of non-hazardous waste	gr/piece	12	13	12

Our Understanding of Occupational Health and Safety

At FARBA, we strive to provide a safe work environment for all our employees. Therefore, we take our responsibility to continuously improve our Occupational Health and Safety (OHS) practices and fulfill our environmental responsibilities. For this purpose, we strengthen our OHS culture within our organization with the practices and OHS activities we design throughout the year.

With our ISO 45001 Occupational Health and Safety Management System, we protect our employees, our most valuable asset, and proactively prevent potential risks.

As FARBA, we monitor the sustainability of a healthy and safe working environment through OHS targets, proactive practices and OHS activities throughout the year.

We aim to achieve continuous improvement and excellence in OHS culture. We review and record our policy every year with the participation of senior management.

With the OHS practices we have developed, we contribute to our sustainability activities in the field of OHS with periodic audits carried out in our Company. In 2022, we include Risk Analysis, Stop6 Audits, KYT-KYG (Hazard Prediction Training-Hazard Prediction Level Determination Trainings), Reba (Rapid Whole-Body Assessment) Ergonomics Analysis among our good practice contents.

Occupational Health and Safety Month Activities:

As FARBA, we celebrate February every year as "Occupational Health and Safety Month" at FARBA. During this month, we ensure that the importance of OHS is recognized through different OHS practices and projects.

Stop6 Field Inspections:

With "Stop6 Field Audit", we identify potential risks before they occur and prevent the possibility of accidents. With the principle of cross auditing, we bring audit teams together with the employees of the departments within the enterprise, and by including the senior management in the project, we aim to prevent awareness and work blindness.

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

With the KYT-KYG training system we provide to increase the hazard prediction skills of our employees, we convey the health effects of the hazards posed by working conditions and technical equipment during the execution of the work at the workplace.

REBA Ergonomics Risk Assessment:

REBA Ergonomics Risk Assessment method is an observation-based posture analysis method that analyzes the posture of the employee during all body activities, whether static or dynamic, and enables the determination of the working style that may cause occupational musculoskeletal disorders and to take precautions. With this application in our company, we contribute to the ergonomic OHS performance of our employees.

In our company, a total of 4 Occupational Safety Specialists work in two separate facilities, namely the Lighting Plant and the Electronics Plant. Our OHS & Environment Unit is affiliated to the Lighting and Electronics Plant directorates in both plants in the organization chart.

We follow up the practices through the Occupational Safety annual work plan according to legal obligations and factory internal management procedure.

We transmit the occupational accidents that occur in our facility to the occupational safety unit via the occupational accident notification form. We analyze the work accident through the analysis evaluation form, and in case of work accidents with hospital referral, we make a legal notification to the SSI system through HR.

As FARBA, we are proud to announce that in 2022, we completed with our working staff we completed 187,575 hours of working time by preventing possible serious injuries and work-related deaths with the OHS culture we aim to achieve perfection and the OHS

Working Hours	2022	2021	2020
	Person*Hour	Person*Hour	Person*Hour
FEMALE	19,111	19,845	18,725
MALE	168,465	165,550	166,886
TOTAL	187,576	185,395	185,611

The OHS 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 0 occupational accidents and 0 occupational diseases every year.

Our number of accidents and days lost due to accidents are shown in the table below.

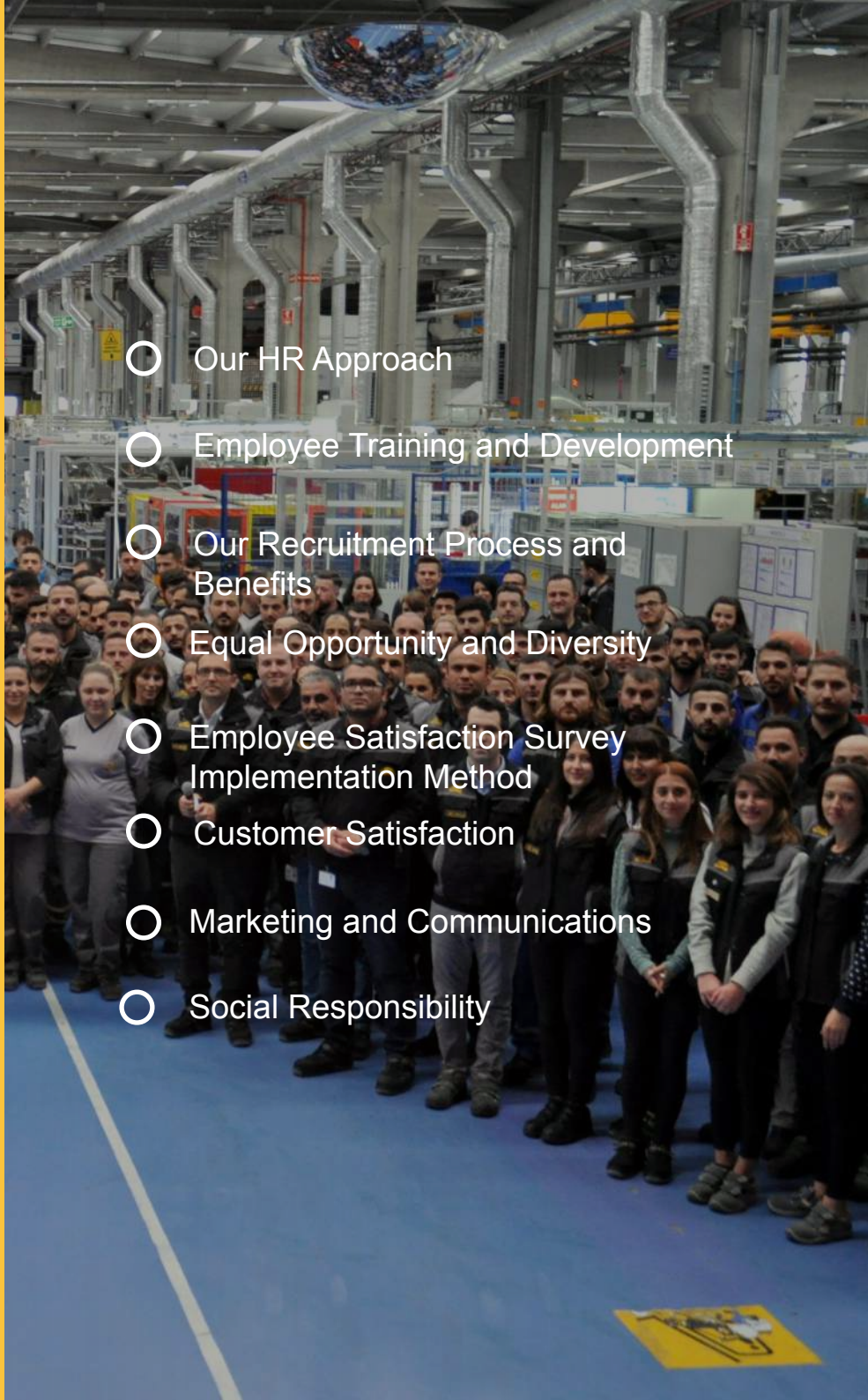


	2022	2021	2020
Number of Accidents	19	17	19
Accident Related Lost Day	59	67	29

Our Social Performance



- Our HR Approach
- Employee Training and Development
- Our Recruitment Process and Benefits
- Equal Opportunity and Diversity
- Employee Satisfaction Survey Implementation Method
- Customer Satisfaction
- Marketing and Communications
- Social Responsibility



Our Human Resources Approach

As FARBA, we are aware that our greatest strength is our employees. For this reason, we take care to shape every approach to our employees within the framework of our company values.

As an organization, we aim to do all our work in a happy and prosperous environment, and we strive to grow and increase our targets by increasing the number of our employees. As we continue our activities within this scope, we take care to provide equal rights for all our employees by adopting an equal, fair, and accountable approach. We, who always prioritize the happiness and health of our employees, do not allow any discrimination based on language, religion, race, gender, philosophical and religious views within our organization. If we discover any discrimination in this regard; we ensure that the necessary sanctions are applied.

With this attitude that we apply for our employees to continue their activities in a free environment, we also prevent all discriminatory situations that may occur within the organization. Also, we do not neglect to inform our employees about the decisions we take and our new activities, and we take care to get the opinions of our employees on every subject.

Aiming to improve our Human Resources efforts day by day, we also take care to make improvements and take the necessary actions regarding our Human Resources Policy. In this context, our number of employees for 2022 is shown in the table below.

	FEMALE	MALE	TOTAL
Total Number of Employees (Including Subcontractors)	147	1,025	1,172

Employee Training and Development

As FARBA, acting with the awareness that its employees are the most important company resource, we have been working to stay at the forefront of our field by constantly improving our service understanding that values people since our establishment. 1172 employees while our employees are our most important and key stakeholders, we also see them as the key to our strategy of creating sustainable social value and continuous growth. We strive to support the development of each employee by encouraging them in line with their own talents. We aim to sustainably maximize the talents of all our employees and their capacities within the organizational structure in order to improve the overall performance of our company.

Thus, we increase our employee engagement rate and see our Human Resources practices as a vital component of unlocking the potential of our employees.

Within the framework of our employees' individual performance and competency assessment results, we determine their training and development needs according to the requirements of the job, in line with the corporate culture and strategy as well as the human resources policy. While our trainings start with the orientation process, we subject our employees to a series of training processes aiming to improve personal development, knowledge and skills, and performance.

We have divided our company's training activities into internal and external training. Our in-house trainings start with the selection of in-house trainers and are structured according to the characteristics and technical skills of the trainer. External programs include training programs carried out jointly with independent consultancy firms.

We receive feedback from our employees regarding the training they receive, and we always evaluate this feedback in the next trainings. We also organize language training courses with foreign language training organizations at FARBA in order to improve foreign language skills.



As FARBA, we are aware that our greatest strength is our employees. Therefore, we take care to shape every approach to our employees within the framework of our company values.

Year	Region	Number of Employees Attending Trainings	Average training hours per employee (Hours)	Total Training Hours (Employee*Hours)
2022	Female	561	32.11	4,720
	Male	4,547	30.81	31,584
	Total	5,108	62.92	36,304

As FARBA, we attach immense importance to employee loyalty. As a result, our number of employees prepared according to working hours for the year 2022 is shown in the table below.

2022

Number of Employees by Working Hours	Female	Male
0-5 Years	58	394
5-10 Years	79	591
10 Years and Over	10	40
Total (Gender Based)	147	1,025
TOTAL	1,172	

Our Recruitment Process and Benefits

At FARBA, we start our recruitment process by determining the need. We carry out workforce planning every year by the Financial Affairs and Human Resources departments within the relevant budget year. We determine the number of employees expected to be hired during the year based on the relevant department. We also make new hires on behalf of our employees who leave their jobs for several reasons during the year.

We accept job applications from various 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 the relevant department managers and our Human Resources Department. Our Human Resources Department makes a job offer to a suitable candidate. We complete the recruitment process with the candidate, completing the necessary documents and starting work on the specified date.

We have established our remuneration policy in a fair manner in order to improve the quality of life of our employees and to provide them with equal opportunities.

When determining the salaries and benefits of our employees, we consider their skills, duties, and responsibilities, education, and work experience. During the salary increase process, we take inflation movements, sector wage data and performance evaluation results into account.

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 employee needs into account. We provide lunch and shuttle services on various routes for the transportation of our employees. For the mothers working in our company, each mother has 1.5/day of breastfeeding leave until the child reaches the age of 1, as stipulated by law. Religious holiday aids for all employees, food packages during Ramadan, shoe aid, motivation rewards, seniority rewards, kaizen suggestion system rewards, OHS rewards, special day practices, tuition assistance, premium payments for R&D efforts, bonus fuel aid.



Equal Opportunity and Diversity

As FARBA, we adopt the principle of Equal Opportunity and Diversity in Human Resources Management and include human rights practices in this regard in our responsibility.

We consider increasing women's participation in the workforce as one of our main goals and with our equal pay for equal work approach, we aim both to increase the number of female employees and to make them more active in decision-making mechanisms. We consider all differences and diversity of our employees as a corporate culture, and we continue to share the importance of this principle with our employees and all stakeholders in our value chain.

By setting our female employee ratio at 12%, we aim to increase this ratio in the coming period with our understanding that encourages employment for women.

As a company, we consider it an opportunity to work for the same purpose with several employees who are different from each other in terms of age, gender, religion, language, ethnic origin, education, and talent, and the multicoloredness that this brings. In this regard, our Company prioritizes common sense within the Company, and we are committed to continue our efforts in this regard in the coming years.

Rate of female employees by years

2022	10.9%
2021	10.6%
2020	9.05%



Number of Employees by Gender and Age	2022	
	Female	Male
Over 50 Years	2	9
30-50 Years	81	634
Under 30	64	382
TOTAL (Gender Based)	147	1,025

The number of employees by gender and age is above.

We present the rate of women and men among the newly recruited personnel below.



2022 Newly Recruited Personnel	Female		Male	
	Number	Rate (%)	Number	Rate (%)
226	25	11	200	89

As a result of the principle, we have adopted in our company to ensure the full and equal participation of disabled individuals in social life, we employed a total of 31 employees.

Number of Disabled Employees by Gender	2022
Female	4
Male	27
Total	31

Number of Employees (Excluding Subcontractors)	White Collar		Blue Collar	
	Female	Male	Female	Male
	56	257	61	740

Our company has 313 White Collar and 801 Blue Collar employees.

Employee Satisfaction Survey Implementation Method

We are making progress every year in our goal of improving working conditions and employee satisfaction, which we have set in line with the Sustainable Development Goal Principles. The satisfaction of our employees is measured once a year in April-May by our Human Resources Department through a survey method. We make the employee satisfaction survey with all our employees in the same period and using the same method. We conduct and report the survey independently through third parties.

- ESS is done by 3rd parties independently through 3rd party platforms.
- We make an agreement with the relevant 3rd party for the year in which the survey will be conducted in the ESS, and we make preparations for employee satisfaction, employee engagement and corporate culture surveys. After giving approval to the 3rd party, we make platform preparations.
- We send the link to the platform sent by the third party to all staff via SMS with an explanation.
- 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 3rd parties.
- 3rd parties report department-based science-based survey solutions to FARBA.



Improving
every year

We encourage a suggestion system for employees to improve quality and efficiency. Our Employee Satisfaction rate is as follows.

	2022
Survey Participation Rate (%)	38
Employee Satisfaction Score (Number)	62
Employee Engagement Score (Number)	64.2

The number of employee complaints submitted and resolved is as follows.

	2022	2021	2020
Employee Satisfaction Score (Number)	310	43	69
Employee Engagement Score (Number)	265	32	56

In 2022, we organize activities to increase the motivation of our employees with activities such as biKahve practices to increase communication, mini treats every month to increase motivation, gift vouchers for devoted employees, creation of a motivation budget for all department managers, a quiz contest with prizes to raise OHS awareness, a painting contest to raise the OHS awareness of employee families, seniority awards, and get acquainted dinners.



Customer Satisfaction

As FARBA, while we achieve significant gains in customer experience, we evaluate these gains as cost, revenue and productivity increases in our business outputs. While we have indicators that we call KPIs on a company basis, we measure and record them in certain periods in line with the targets set by our customers and monitor the relationship of the actual situation with the target.

Through the feedback we receive from customers, we implement corrective and preventive actions for the complaints we receive. Related to this, our practices such as Management of Serial Changes, Periodic Measurements and Controls, Zero Defect activities are among the activities we implement to prevent the occurrence of complaints.

Furthermore, we carry out 8D studies under the leadership of the quality department and Kaizen and Jidoka studies under the leadership of the production department. While our customers can file complaints by creating error notifications through their own portals, in the absence of any portal, notifications are sent to us via e-mail. We follow a responsible and interactive management process regarding the complaints we receive. We communicate complaints to all stakeholders, thus encouraging them to become partners in the solution.

	2022	2021	2020
Total Customer Complaints	21	24	26
Resolved Customer Complaint	21	24	26

In our company, we operate a grievance mechanism in all chains within the scope of IATF and VDA. We question the existence and effectiveness of this situation through potential audits applied to suppliers.

As FARBA, we are constantly working to provide the best service to our customers by acting with the understanding that the satisfaction of our customers is the greatest indicator of the value given to us. We resolve customer requests in an open, transparent, fast, and customer-oriented manner; in parallel with complaints and suggestions, we implement permanent improvements in our systems and processes. As a result of our solution-oriented approach, we measured our Customer Satisfaction rate as 83% in 2022. We have resolved all 21 total customer complaints submitted across our organization in 2022.

83%

Our Customer Satisfaction rate in 2022



Marketing and Communication

At FARBA, we have emphasized transparent and open communication to further develop our marketing and communication strategy in 2022. As a company that wants to consolidate its position in the local and global market, we maintain a long-lasting and effective relationship with all our customers. In order to provide the most appropriate service to each of our customers, we improve our communication skills to choose the right communication methods and aim to establish long-lasting collaborations with our customers. We work long-term with Ford, Toyota, odelo, Eldor and TOGG, which are among our customers; we take care to exchange information with our customers on every subject.

To achieve this, we follow a roadmap within the scope of the targets we have set in the field of marketing and communication. We hold periodic meetings with our customers about the status of existing projects and conduct a request for proposal research for the next version of an already produced project. We take actions such as keeping the channels (system, e-mail, and direct communication) open for new requests, conducting customer visits, timely follow-up, management and implementation of annual productivity discounts, periodic price updates and project design changes according to the agreements made with the customer at the beginning of project mass production.

As a result of customer requests, new proposal requests and follow-up of industry developments, we organize tasks to add recent technologies or new materials to projects and manage their follow-up in order to increase product and service diversity. We make efforts to make a more environmentally friendly production by participating in meetings followed by the customer to make the production method or consumables used in the projects more environmentally friendly.

We also offer incentives to our customers for increasing product and service diversity, such as adding innovative technologies or new materials needed as a result of customer requests, new offer requests and following sector developments, and managing their follow-up.

We effectively use social media for our marketing and communication activities and interact directly with our customers. Our company's social media accounts contribute to raising awareness of our brand. We have 18,092 followers on LinkedIn and 602 followers on Instagram. Our website has been visited by 49 thousand people so far.

49,000 Visitors

Our website has been visited by 49 thousand people so far.



18,092 Followers

18,092 followers on LinkedIn.



Corporate Social Responsibility

As FARBA, we are aware of our responsibility towards society through our corporate social responsibility activities. While conducting our activities with this sense of responsibility, we increase our contributions to improve social life every year. While realizing our projects, we take into consideration the needs of the society and the expectations of our stakeholders.

In 2022, our organization's social responsibility activities include training activities for our employees to protect the environment and the physical support we have developed for industrial collaborations, as well as the support we provide to raise awareness for associations and foundations.

As FARBA, we will continue our efforts to do our best by increasing our social responsibility and improving our improvement activities in the future as we do today.





Our 2023 CSR Project Targets:

Vegetable Waste Oil Collection	To ensure the protection of the environment by collecting waste
Environmental Cleaning	Increasing the level of social awareness by conducting environmental cleaning in the determined location
Training Industry Collaborations	Bringing young talents to companies through education-industry collaborations, providing physical support to educational institutions
Fidan Olalım Project	Increasing the level of social awareness by conducting environmental cleaning in the determined location
Hatice Bayraktar MTAL Education Support	Providing technical support to the school we founded, improving its physical conditions
Blood and Stem Cell Donation	Raising social responsibility and awareness
Hope Foundation for Child Project Support	Raising social responsibility and awareness
LÖSEV	Raising social responsibility and awareness
Webinar	Webinar informing the employees of our Group companies on socio-cultural topics

Declaration of Use	The Content Index - Essentials Service has ensured that the GRI content index is presented in a clear and consistent manner with the standards and that references to disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The service is provided through the Turkish version of the report. Farba has developed its sustainability reporting in accordance with GRI Standards for the period January 1, 2022 - December 31, 2022.
GRI 1 Used	GRI 1: BASIC PRINCIPLES 2021

GRI Standards	Notification	Page numbers, descriptions and/or URL	HT*
General Notifications			
GRI 2: General Notifications 2021	Corporate Profile		
	2-1 Corporate Profile	About the Report, p.4 About the Farba, p.7-17 Farba from Yesterday to Today, p.9 Communication, p.101	
	2-2 Organizations included in sustainability reporting	About the Report, p.4 Shareholding Structure, p.9 Risk Management, p.37-41	
	2-3 Reporting period, frequency and contact	About the Report, s.4	
	2-4 Information revised according to previous	The information has not been changed. p. 90	
	2-5 External Audit	The report did not include an external audit. p. 90	
	2-6 Operations, value chain and other business relationships	Production Information, p.10-11 Relations with Stakeholders, p.50-51 Supply Chain Management, p.52-56	
	2-7 Employees	Our Human Resources Approach, p.78 Equal Opportunity and Diversity, p.82-83	

GRI Standards	Notification	Page numbers, descriptions and/or URL	HT*
GRI 2: General Notifications 2021	2-8 Employees of subcontractors	Our Human Resources Approach, p.78 Equal Opportunity and Diversity, p.82-83	
	2-9 Governance structure	Shareholding Structure, p.9 Our Board of Directors, p.17 Our Policies, p.18-30 Our Sustainability Management Structure,	
	2-10 Process for determining the competencies and qualifications of the members of the highest governance body	Farba does not share this information publicly due to the organization's confidentiality policies, p. 91	
	2-11 Chair of the highest governance body	Our Board of Directors, p.17 Senior Management Message, p.6 Risk Management, p.37-41 Ethics Management, p.42	
	2-12 The role of the highest governance body in managing the impacts of the organization's operations	Our Board of Directors, p.17 Senior Management Message, p.6 Our Sustainability Management Structure, p.44 Our Sustainability Approach, p.47-48	
	2-13 Will to take responsibility for managing the impacts of operations	Our Board of Directors, p.17 Our Sustainability Management Structure, p.44 Our Sustainability Approach, p.47-48	
	2-14 Role of the highest governance body in sustainability reporting	Our Sustainability Management Structure, p.44 Our Sustainability Approach, p.47-48	
	2-15 Processes to prevent conflicts of interest	Ethics Policy, p.22-23	
	2-16 Process of escalating critical topics to the highest governance body	Our Board of Directors, p.17 Relations with Stakeholders, p.50-51	
	2-17 Competencies of the highest governance body	Our Board of Directors, p.17 Our Sustainability Management Structure, p.44 Our Sustainability Approach, p.47-48	

GRI Standards	Notification	Page numbers, descriptions and/or URL	HT*	
GRI 2: General Notifications 2021	2-18 Assessing the performance of the highest governance body	Our Approach to Sustainability, p.47-48 Quality Management, p.32-34 Risk Management, p.37-41		
	2-19 Wage policies	Our Human Resources Approach, p.78 Equal Opportunity and Diversity, p.82-83		
	2-20 Process for determining wages	Our Human Resources Approach, p.78		
	2-21 Annual total remuneration rate	Farba does not share this information publicly in accordance with the organization's confidentiality policies. p. 92		
	Materiality Topics			
	2-22 Statement on sustainable development strategy	Senior Management Message, p.6 Our Sustainable Management Structure, p.44 Our Sustainability Approach, p.47-48		
	2-23 Policy commitments	Ethics Policy, p.22-23 Human Resources Policy, p.25 Cooperation Policy, p.29 Sustainability Policy, p.45-46		
	2-24 Implementation of policy commitments	Customer Relations Policy, p.28 Cooperation Policy, p.29		
	2-25 Processes to ameliorate negative impacts	Quality Management, p.32-34 Employee Satisfaction Survey Application Method, p.84-85 Customer Satisfaction, p.86		
	2-26 Mechanisms for receiving suggestions and raising concerns about topics related to ethical and legal behavior	Ethics Policy, p. 22-23 Quality Management, p. 32-34 Ethics Management, p.42 Employee Satisfaction Survey Application Method, p.84-85 Customer Satisfaction, p.86		

GRI Standards	Notification	Page numbers, descriptions and/or URL	HT*
GRI 2: General Notifications 2021	2-27 Compliance with legal regulations	Risk Management, p.37-41	
	2-28 Corporate memberships	Quality Management, p.32-34	
	2-29 Stakeholder engagement	Relations with Stakeholders, p.50-51 Supply Chain Management, p.52-56	
	2-30 Proportion of employees subject to collective labor agreements	Our Human Resources Approach, p.78 Our Recruitment Process and Benefits, p.81	
GRI 3: Material topics 2021	3-1 Process for identifying Material topics	Materiality Analysis, p.49	
	3-2 List of material topics	Materiality Analysis, p.49	
	Economic Performance		
GRI 3: Material topics 2021	3-3 Management of the material topics	Materiality Analysis, p.49 Economic Performance, p.15	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance, p.15	
	201-2 Financial consequences and other risks and opportunities arising from climate change	Circular Economy Policy, p.26	
	Procurement Practices		
GRI 3: Material topics 2021	3-3 Management of the material topics	Materiality Analysis, p.49 Supply Chain Management, p.52-56	
GRI 204 Procurement Practices 2016	204-1 Rate of expenditures on local suppliers	Supply Chain Management, p.52-56	

GRI Standards	Notification	Page numbers, descriptions and/or URL	HT*
	Anti-Corruption		
GRI 3: Material topics 2021	3-3 Management of the material topics	Ethics Management, p.42 Supply Chain Management, p.52-56	
GRI 205: Anti-Corruption 2016	205-1 Activities Assessed for Risks Related to Corruption	Ethics Management, p.42 Supply Chain Management, p.52-56	
	205-2 Communication and Education on Anti-Corruption Policies and Procedures	Ethics Management, p.42 Supply Chain Management, p.52-56	
	Anti-Competitive Behavior		
GRI 3: Material topics 2021	3-3 Management of the material topics	Materiality Analysis, p.49 Ethics Policy, p.22-23 Ethics Management, p.42	
GRI 206: Anti-Competitive Behavior 2016	206-1 Total Number and Results of Lawsuits Regarding Anti-Competitive Behavior and Activities	Ethics Policy, p.22-23 Ethics Management, p.42	
	Energy		
GRI 3: Material topics 2021	3-3 Management of the material topics	Energy Management, p.67-70	
GRI 302: Enerji 2016	302-1 Energy Consumption of the Organization	Energy Management, p.67-70	
	302-3 Energy Intensity	Energy Management, p.67-70	
	302-4 Reduction of Energy Consumption	Energy Management, p.67-70	

GRI Standards	Notification	Page numbers, descriptions and/or URL	HT*
	Water and Wastewater		
GRI 3: Material topics 2021	3-3 Management of the material topics	Water Management, p.71-72	
GRI 303: Water and Wastewater 2018	303-1 Interaction with water resources as a shared resource Consumption	Water Management, p.71-72	
	303-2 Management of water discharge-based impacts	Water Management, p.71-72	
	303-3 Water Withdrawal	Water Management, p.71-72	
	303-4 Water Discharge	Water Management, p.71-72	
	303-5 Water consumption	Water Management, p.71-72	
	Emissions		
GRI 3: Material topics 2021	3-3 Management of the material topics	Greenhouse Gas Emission Ratings, p.65-66	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	Greenhouse Gas Emission Ratings, p.65-66	
	305-2 Indirect energy (Scope 2) greenhouse gas emissions	Greenhouse Gas Emission Ratings, p.65-66	
	305-3 Other indirect (Scope 3) greenhouse gas emissions	Greenhouse Gas Emission Ratings, p.65-66	
	305-4 Greenhouse gas intensity	Greenhouse Gas Emission Ratings, p.65-66	
	305-5 Reducing greenhouse gas emissions	Greenhouse Gas Emission Ratings, p.65-66	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gas emissions	Greenhouse Gas Emission Ratings, p.65-66	

GRI Standards	Notification	Page numbers, descriptions and/or URL	HT*
	Wastes		
GRI 3: Material topics 2021	3-3 Management of the material topics	Waste Management, p.73-74	
GRI 306: Wastes 2020	306-1 Waste Generation and significant waste-related impacts	Waste Management, p.73-74	
	306-2 Management of waste-related impacts	Waste Management, p.73-74	
	306-3 Waste generated	Waste Management, p.73-74	
	306-4 Diverted from disposal	Waste Management, p.73-74	
	306-5 Disposed waste	Waste Management, p.73-74	
	Employment		
GRI 3: Material topics 2021	3-3 Management of the material topics	Recruitment Processes and Benefits, p.81 Equal Opportunity and Diversity, p.82-83	
GRI 401: Employment 2016	401-1 New hires and employee turnover	Recruitment Processes and Benefits, p.81 Equal Opportunity and Diversity, p.82-83	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Recruitment Processes and Benefits, p.81	
	401-3 Parental leave	Recruitment Processes and Benefits, p.81	
	Labor/Management Relations		
GRI 3: Material topics 2021	3-3 Management of the material topics	Our Human Resources Approach, p.78 Our Recruitment Processes and Benefits, p.81	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notification period for operational changes	Our Human Resources Approach, p.78 Our Recruitment Processes and Benefits, p.81	

GRI Standards	Notification	Page numbers, descriptions and/or URL	HT*
Occupational Health and Safety			
GRI 3: Material topics 2021	3-3 Management of the material topics	Our Understanding of Occupational Health and Safety, p.74-76	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety Policy, p.19 Our Approach to Occupational Health and Safety, p.74-76	
	403-2 Type of injury and accident frequency rates, occupational diseases, lost days and absenteeism, and total number of work-related fatalities	Our Understanding of Occupational Health and Safety, p.74-76	
	403-3 Occupational health services	Our Understanding of Occupational Health and Safety, p.74-76	
	403-4 Employee involvement in occupational health and safety, consultation, and communication	Our Understanding of Occupational Health and Safety, p.74-76	
	403-5 Employee training on occupational health and safety	Our Understanding of Occupational Health and Safety, p.74-76	
	403-6 Promotion of employee health	Our Understanding of Occupational Health and Safety, p.74-76	
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to labor relations	Our Understanding of Occupational Health and Safety, p.74-76	
	403-9 Work-related injuries	Our Understanding of Occupational Health and Safety, p.74-76	
	403-10 Work-related patient cases	Our Understanding of Occupational Health and Safety, p.74-76	

GRI Standards	Notification	Page numbers, descriptions and/or URL	HT*
	Education and Training		
GRI 3: Material topics 2021	3-3 Management of the material topics	Employee Training and Development, pp.p.79-80	
GRI 404: Education and Training 2016	404-1 Average annual training hours per employee	Employee Training and Development, pp.p.79-80	
	404-2 Talent management and lifelong learning programs that support employee development	Employee Training and Development, p.79-80	
	404-3 Percentage of employees who undergo regular performance development reviews	Employee Training and Development, pp.p.79-80 Recruitment Processes and Benefits, p.81	
	Diversity and Equal Opportunity		
GRI 3: Material topics 2021	3-3 Management of the material topics	Equal Opportunity and Diversity, p.82-83	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and staff	Equal Opportunity and Diversity, p.82-83	
	Prevention of Discrimination		
GRI 3: Material topics 2021	3-3 Management of the material topics	Ethics Policy, p.22-23 Human Resources Policy, p.25	
GRI 406: Prevention of Discrimination 2016	406-1 Incidents of discrimination and regulatory measures taken	Ethics Policy, p.22-23 Human Resources Policy, p.25	
	Customer Health and Safety		
GRI 3: Material topics 2021	3-3 Management of the material topics	Our Approach to Sustainability, p.47-48 Supply Chain Management, p.52-56 Customer Satisfaction, p.86	
GRI 416: Customer Health and Safety 2016	416-1 Percentage of significant categories of products and services where health and safety impacts are assessed for improvement	Our Approach to Sustainability, p.47-48 Supply Chain Management, p.52-56 Customer Satisfaction, p.86	
	416-2 Incidents of non-compliance related to health and safety impacts of products and services	Our Approach to Sustainability, p.47-48 Supply Chain Management, p.52-56 Customer Satisfaction, p.86	

GRI Standards	Description	Page numbers, descriptions and/or URL	HT*
	Risk Management (Farba's own disclosures.)		
GRI 3: Material topics 2021	3-3 Management of the material topics	Risk Management, p.37-41	
Risk Management	Farba attaches importance to risk management. The reason for this is our management of our company's environmental, social and governance performance and its impact on the Sustainable Development Goals (SDGs).	Risk Management, p.37-41	
	Contribution to Society (Farba's own disclosures.)		
GRI 3: Material topics 2021	3-3 Management of the material topics	Corporate Social Responsibility, p.88-89	
Contribution to Society	Farba attaches importance to contributing to society. With our corporate social responsibility activities, we emphasize the importance we attach to our responsibility towards society.	Corporate Social Responsibility, p.88-89	
	Digitalization and Use of High Technology (Farba's own disclosures.)		
GRI 3: Material topics 2021	3-3 Management of the material topics	Our R&D Activities, p.57-59	
Digitalization and Use of High Technology	Farba attaches importance to digitalization and the use of high technology. Accordingly, we adopt digital transformation as our corporate culture in all our product and service processes and prepare the ground for our entire organization to have the flexibility required by the digital age.	Our R&D Activities, p.57-59	

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