

2023

SUSTAINABILITY REPORT



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A GREENER AND MORE LIVABLE WORLD WITH INNOVATIVE TECHNOLOGIES



In the midst of rapid changes and technological advances in the automotive industry, we are pleased to share our third sustainability report, which we have prepared as a reflection of our sustainability journey by strengthening our commitment to fulfil our environmental and social responsibilities day by day.



This report is not only a performance evaluation, but also a reflection of our vision and strategies for the future. Our sustainability approach is focused on developing low-carbon solutions with innovative technologies, improving energy efficiency and expanding our social contributions. We carry out our investments and operations by minimising our environmental impact, using our resources in the most efficient way and observing our social values.

We will continue to work with determination to achieve our sustainability targets in the coming years. This report is not only an assessment of our past achievements and challenges, but also provides information

about our future goals and strategic orientations. Together, we will continue to contribute to a greener and more liveable world.

We decided to voluntarily prepare our report in accordance with GRI sustainability standards in order to share it with our stakeholders. FARBA Otomotiv A.Ş. Sustainability Report covers our activities, developments and production between 1 January 2023 and 31 December 2023. While presenting our contribution to the Sustainable Development Goals with our report, we detail our environmental and social performance, the targets we have set within the scope of sustainability and the practices we have implemented.

WE PROGRESS TOGETHER FOR A SUSTAINABLE FUTURE

As FARBA, we always embrace the importance of sustainable growth in the automotive sector and carry out our activities with environmental, social and economic responsibility awareness in line with our strategic goals and the sustainable development goals announced by the United Nations.

We attach great importance to adopting innovative technologies and implementing circular economy models to minimize environmental impacts in our production processes. In order to reduce our negative impacts on our environment to zero, we constantly develop new methods and strategies, assigning responsibility to our suppliers and expecting improvements parallel to our own goals from them.

We provide in-house and external trainings to support our employees' sustainability awareness. In this direction, we are implementing a strong change process with the contributions of our employees, our collaborations and all our stakeholders by further deepening the sustainability awareness in our company culture. At the same time, we continue to contribute to social development with our social responsibility projects. We strive to fulfill our duties for a more inclusive, fair and equal future with the work we carry out in areas such as education, employment opportunities and gender equality.

The Sustainability Report we prepared this year is a summary of the projects we have implemented throughout 2023, our progress towards our goals and our achievements. Each of our projects is a reflection of the concrete steps our company has taken to achieve its sustainability goals. We have undertaken important practices in areas such as increasing energy efficiency, reducing carbon emissions, strengthening waste management practices and minimizing environmental impacts.

In order to shape the future together, we will continue to support projects that are sensitive to nature and society by integrating sustainability principles into our business processes. I would like to thank all our employees, business partners and stakeholders for their support in achieving these goals.

Mehmet Fatih BAYRAKTAR
Member of the Board



ABOUT FARBA



Founded in 1979 in Bursa under the umbrella of Bayraktarlar Holding, we have grown our company with our Koito and Valeo licences obtained in 1992 and 2000. Over time, we managed to become one of the main suppliers of OEMs in Turkey. Since our establishment, we aim to be a pioneering company by carrying out innovative works in our production processes in order to add new ones to our achievements and to make significant contributions to the national economy and the automotive sector.

We have also become a global manufacturer in the automotive sub-industry. Today, we continue our activities in the sector as one of the 8 leading manufacturers of automotive exterior lighting in the world.

- in 2011, we made progress towards becoming a company on a global scale by acquiring the German start-up Odelo. We commissioned our Gebze-China and VLE factories in a very short time within this growth trend.
- In 2018, with the strategic decision of Bayraktarlar Holding management, we started to carry out FARBA brand and activities in our Gebze factory and odelo operations in our Bursa and foreign facilities.
- In 2020, we brought together our FARBA and VLE companies, which operate side by side in our campus in the Automotive Supply Industry Specialised Organised Industrial Zone (TOSB), under the FARBA corporate structure.

As the FARBA family, we are moving forward with the aim of becoming a leading company in its field with more than 1,000 employees today. We integrate our goal of continuous development and excellence with the satisfaction of all our stakeholders.

In our modern facility in TOSB, we continue to produce Headlamps, rear taillights and electronic printed circuit boards (PCB) with our competent employees, advanced technology equipment and machine parks.

Under the leadership of our production approach based on sustainability principles, we produce more than 3 million products and more than 12 million cards annually.

Our facility is built on a total area of 27,000 m², including 7,000 m² Electronics Department and 20,000 m² Lighting Department, with a total of 12 assembly lines and 25 injection moulding machines.



VISION, MISSION AND VALUES



VISION

Becoming a universal innovation brand



PURPOSE

Innovation for a better world



OUR VALUES

- Ethical Values and Respectability
- Team Spirit
- Innovation
- Being Flexible and Proactive
- Stakeholder Orientation
- Sustainability

SHAREHOLDING STRUCTURE



As FARBA, we serve under Bayraktarlar Group. In 1979, we started the production of headlamps and tail 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 became a global manufacturer in the automotive supply industry.

FROM PAST TO PRESENT FARBA

1979

Bayraktarlar Holding was established with Cibie Licence.



1992

We made a product-based technical licence agreement with Koito.



2000

We signed a product-based technical licence agreement with Valeo.



2011

odelo joined Bayraktarlar Holding.



2012

FARBA Gebze factory started mass production.



2013

Our China factories started mass production.



2016

Gebze factory started Headlamp production with Toyota C-HR.



2018

Gebze factory was renamed as FARBA Otomotiv A.Ş. Bursa factories were renamed as Odelo Turkey and became a legal entity.



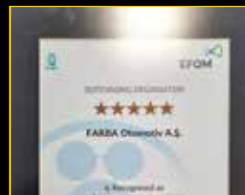
2020

FARBA and VLE merged under the corporate umbrella of FARBA.



2021

We established a R&D Centre.



2022

EFQM Excellence Model 5 Star Award received.



OUR PRODUCTS AND PRODUCTION PROCESSES





LIGHTING FACILITY

As FARBA, we realise the necessary processes for our products and productions. As a result of these processes, we design Headlamps, rear taillights and standard products, which are important parts for vehicles. The products we manufacture are subjected to plastic injection, aluminium coating, varnish coating and assembly processes.

Headlamp

It is one of the most important parts of the vehicles, which is attached to the front of the vehicles, has the feature of illuminating and signalling the road and is a safety part especially at night; it is one of the most important parts of the vehicles that reveal the style and identity of the vehicles. It has 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 (Economic Commissions of Europe-ECE) Standards and the Society of Automotive Engineers (SAE) Standards. Apart from functionality, it must have geometric tolerances compatible with the vehicle body and visual control suitability.



Rear Combilamp

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 intention, 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 has parking, brake, signal,

reverse and fog functions. Depending on the vehicle design, it can be single or two-piece. For design flexibility and stylistic reasons, LEDs are often used as light sources today instead of halogen bulbs. It must comply with international regulations such as ECE, SAE. Apart from functionality, it must have geometric tolerances compatible with the vehicle body and visual control suitability.



Standard Products

They are lighting products that have a single function or multiple functions. It is not designed for a single vehicle. The same product can be used in more than one make

and model vehicle. It is produced in accordance with international regulations. They are also products that meet all functional and visual expectations of all customers.





PRODUCTION

Plastic Injection Moulding

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

Aluminium 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 aluminium in the form of full or partial coating in special machines under high vacuum with one-piece process flow after plastic injection.

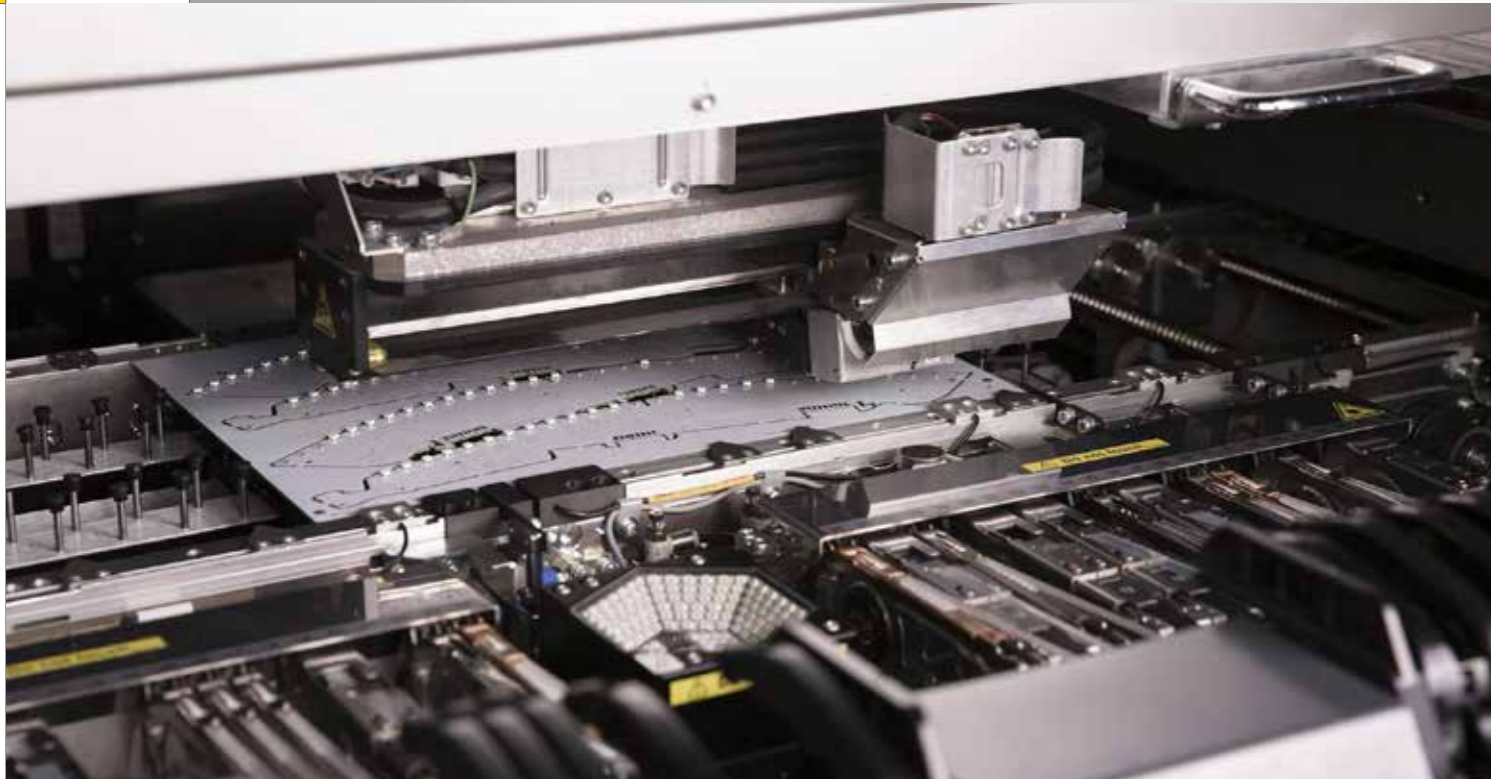
Varnish Coating

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 stop lenses to prevent the formation of condensate in the Headlamp and rear stop are coated with special varnish by spray method with the help of 6 axis robots in our facilities in clean room conditions.

Assembly

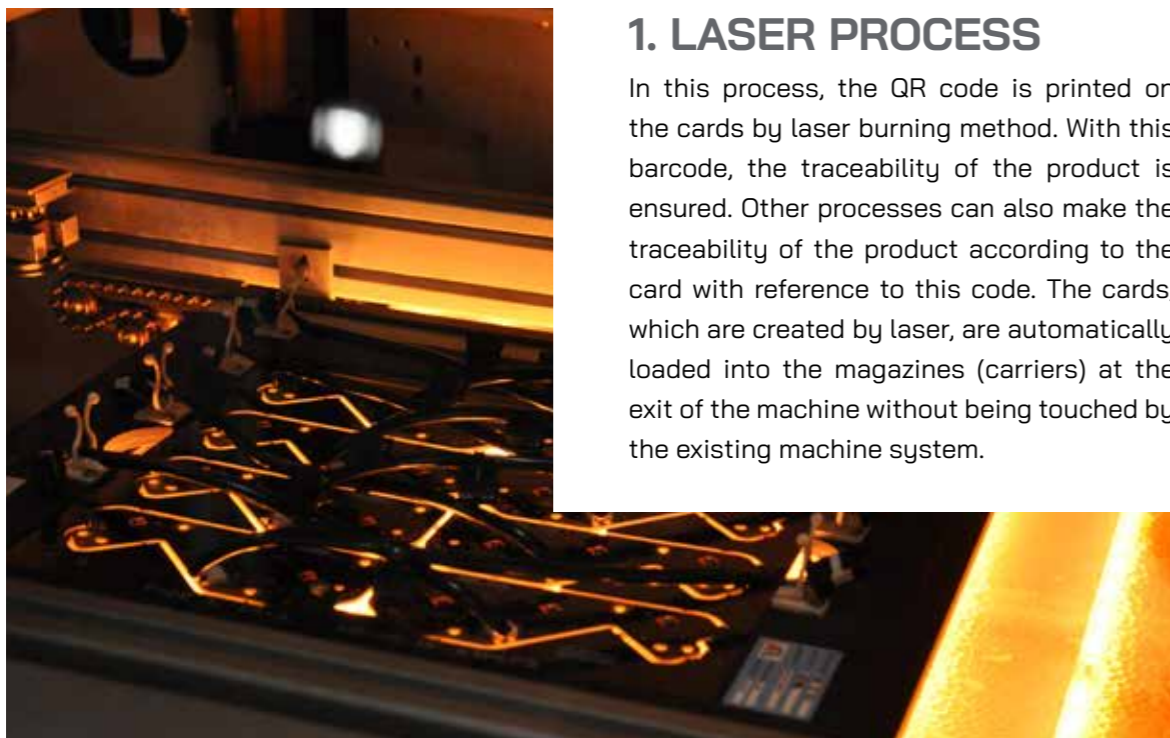
All the sub-parts we produce in our own factory and other sub-parts we procure from our suppliers are combined in our pre-assembly and main assembly lines, 100% functional test (tightness, photometry, bulb burning) and visual control are applied in our final test equipment and shipped to our customers.





ELECTRONICS FACILITY

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 minimise 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.



1. LASER PROCESS

In this process, the QR code is printed on the cards by laser 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 with reference to this code. The cards, which are created by laser, are automatically loaded into the magazines (carriers) at the exit of the machine without being touched by the existing machine system.

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.

2.1. PCB Cleaner: Surface cleaning of PCBs as a panel is done here.

2.2. Printer (Soldering Machine): Soldering is done here. Under humidity and temperature controls, solder is deposited on the solder islands on the board with a suitable sieve.

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

2.4. Pick and Place (typesetting machine): Placing SMT materials on the board is done on this machine. With the

verification system, incorrect material arrangement is prevented. The materials are fed into the machine quickly and automatically.

2.5. Press Fit / PinPaste: Tight-fitting or through-hole assembly materials are typeset on cream solder in the SMT process.

2.6. Reflow: It is the activation and integration of the solder on the board with the solder island and material with appropriate temperature values and appropriate times. The materials are then soldered to the board. The process takes place under nitrogen atmosphere.

2.7. AOI: Three-dimensional automatic optical control. The cards whose typesetting or assembly is finished are visually checked in this process. It checks the presence, orientation, offset, height and solder condition of the materials and reports any errors.





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 four as Radial, Axial, Selective Soldering and Pin Fastening.

3.1. Radial: Radial type materials (i.e. where the legs are parallel to each other and to the body and there are leg connections under the material) are arranged in this process. These materials are placed vertically on the card.

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 are placed horizontally on the card.

3.3. Pin Inserter: Materials such as pins

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

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

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



4. DISPENSER

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

5. COATING

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

6. X-RAY

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

7. ICT/FCT

Electrical and functional tests of the boards are performed in this process. The values,



directions, presence, currents, voltages and functions of the materials are checked in this process. LED Tests are applied in functional test and colour, brightness and homogeneity controls are performed.

8. FREZE

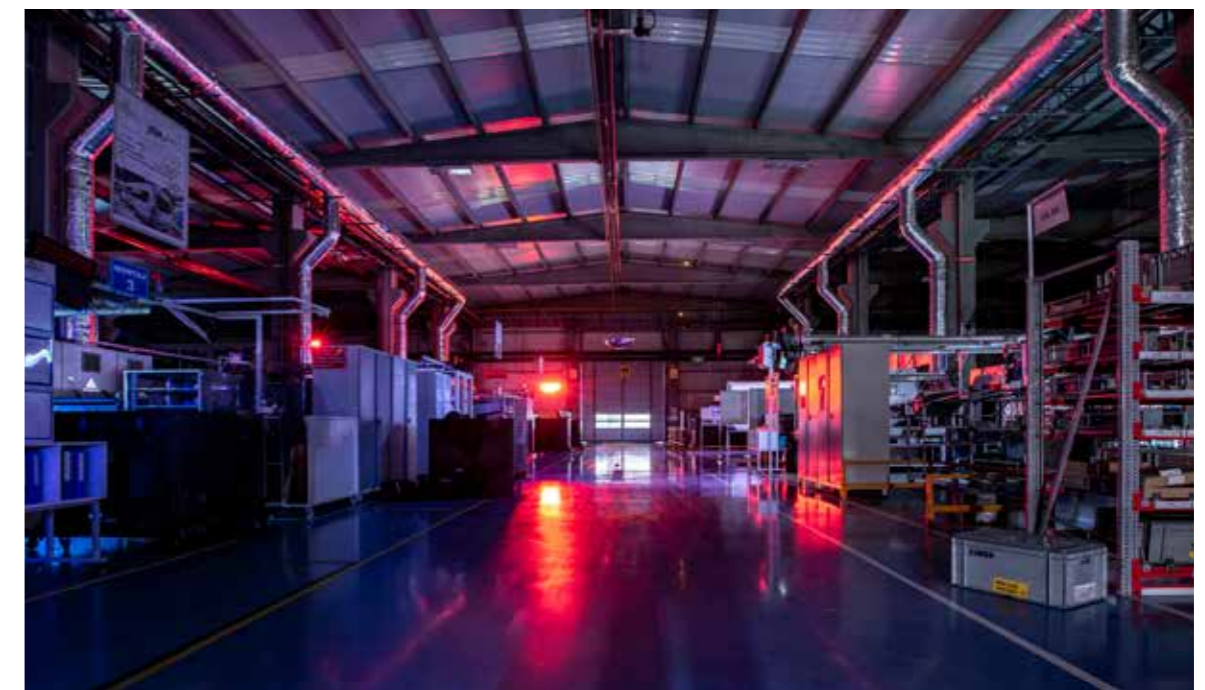
Used for separating panelled PCBs from each other. This method is safe as it does not put stress on the card.

9. FINAL CHECK

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 request and packaged according to customer request.



ECONOMIC PERFORMANCE



As FARBA, we support stable, inclusive and sustainable economic growth, full and productive employment, and aim to improve our economic performance every year.

In this context, we have increased our net sales value by approximately 8% from EUR 138,071 million in 2022 to EUR 149,714 million in 2023.



Net Sales
(Million Euro)

2021

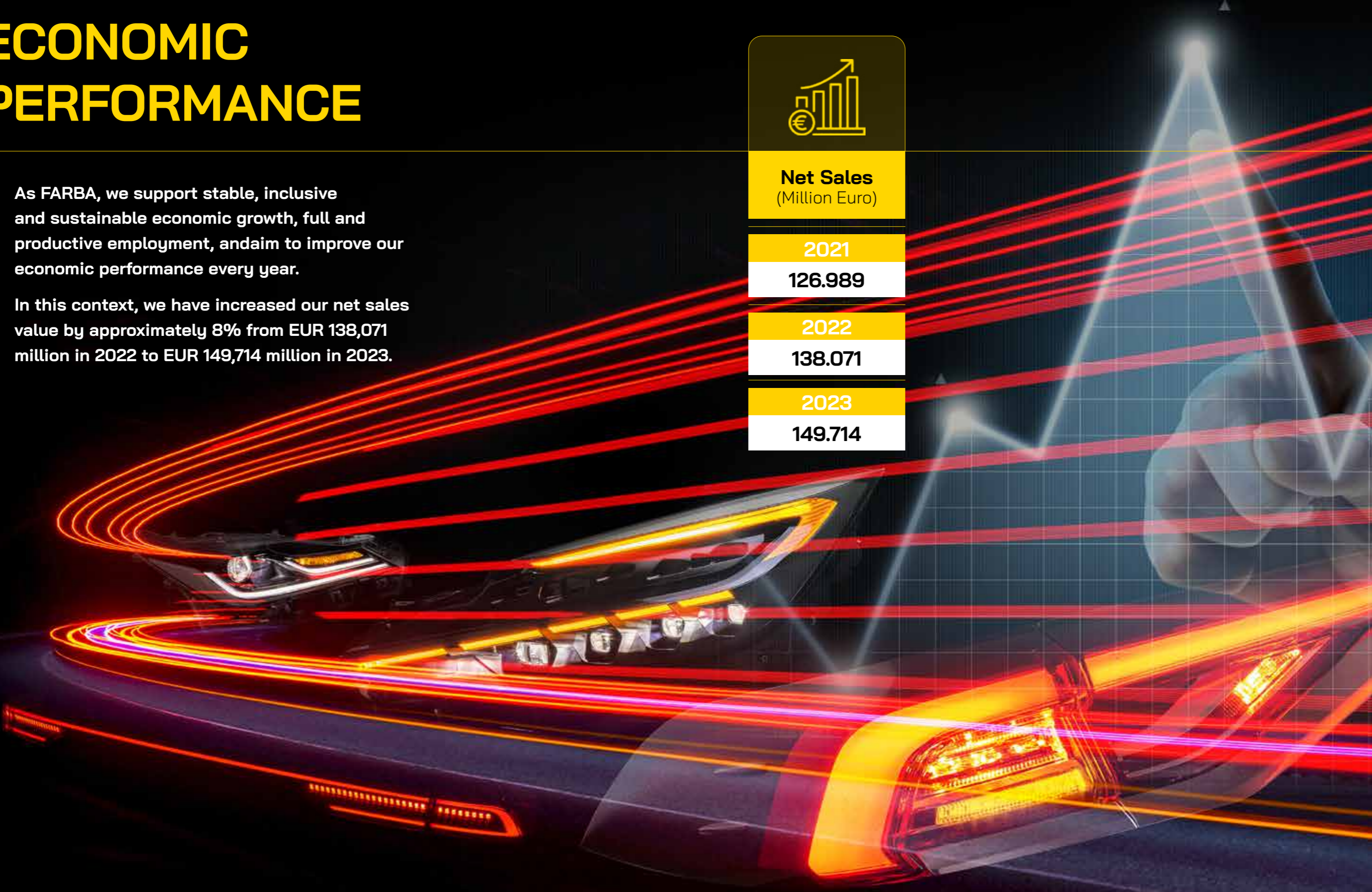
126.989

2022

138.071

2023

149.714



CORPORATE GOVERNANCE STRUCTURE



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.

Thanks to our management structure that prioritises 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. Our senior management staff operating within this scope are listed below.

Board of Directors

Ahmet Bayraktar

Chairman of the Board of Directors

Fevzi Bayraktar

Board Member

Mehmet Fatih Bayraktar

Board Member

Sedat Kılıç

Board Member

Mürsel Gülen

Board Member

Ali Yaşar Topçu

General Manager

Engin Kocaman

Director (Factory Management-Lighting)

Erol Saltık

Director (Factory Management-Electronics)

Halil Pulluk

Director (Technology)

Muharrem Cengiz

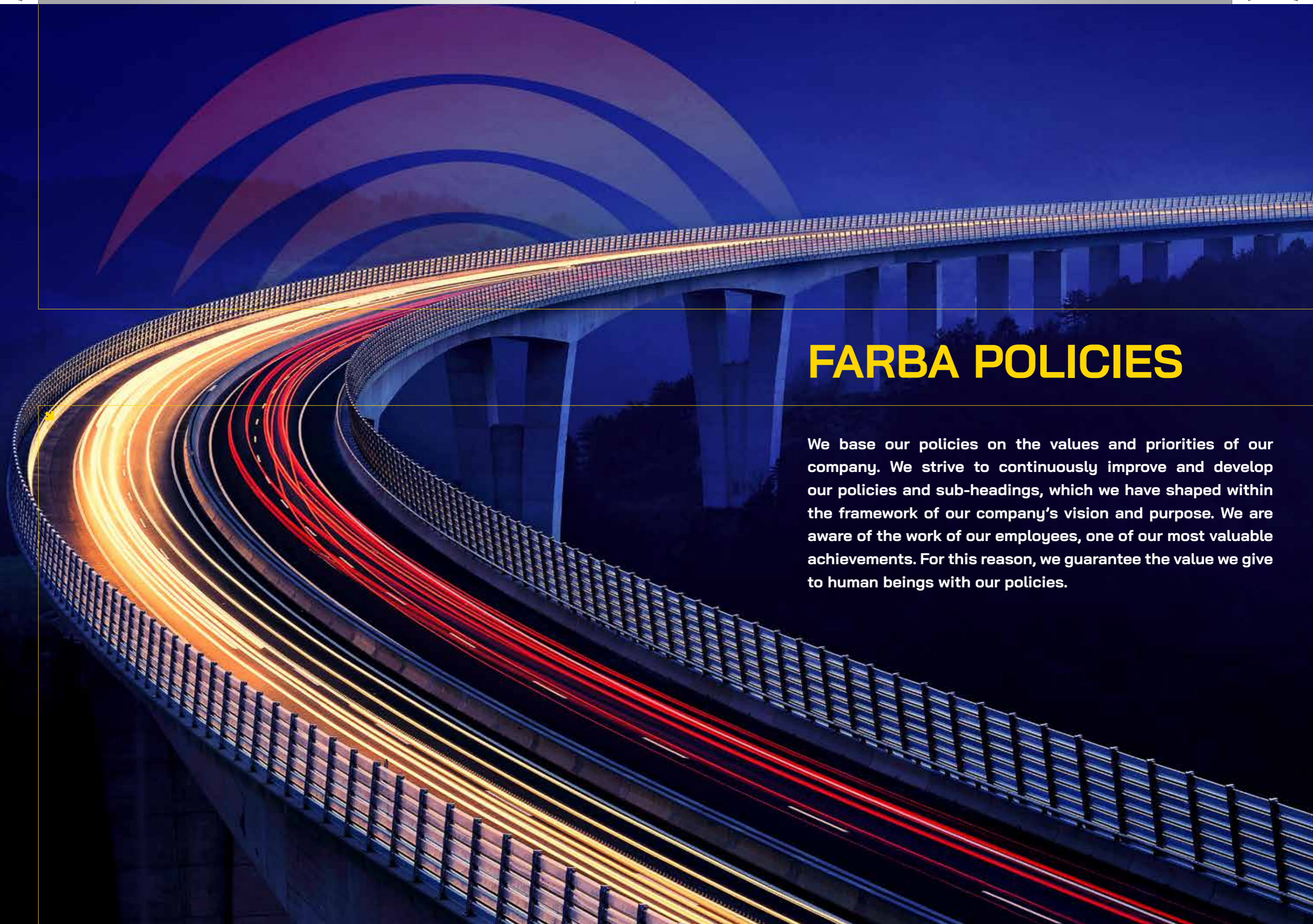
Director (Financial Affairs and Human Resources)

Huriye Oğuz

Director (Supply Chain)

Erhan Varhan

Director (Engineering)



FARBA POLICIES

We base our policies on the values and priorities of our company. We strive to continuously improve and develop our policies and sub-headings, which we have shaped within the framework of our company's vision and purpose. We are aware of the work of our employees, one of our most valuable achievements. For this reason, we guarantee the value we give to human beings with our policies.



Farba 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 relevant parties do not endanger the health and safety of themselves, other employees and visitors, with the help of necessary information and training. It provides appropriate PPE for all work to be done and makes its use mandatory.
- By systematically conducting risk assessments regarding possible dangerous situations, dangerous behaviors and emergencies within the scope of all our activities, we adopt a culture of preparedness and prevention. We comply with all legal and regulatory requirements related to fire safety; by organizing fire training and drills, we ensure that our employees are prepared for fire emergencies.
- We assess the risks associated with the use of chemical and biological substances, establishing safe usage instructions. We provide training to employees on the hazards of these substances and methods of protection, ensuring the accessibility of Safety Data Sheets at work site (SDS).
- Provides the full support and participation of interested parties, employees-employee representatives.
- Instead of solving problems after they arise, we take a preventive approach, continuously increase our health and safety level, create ergonomic work stations with systematic ergonomic analyses and prevent occupational diseases and accidents.
- 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.

As Farba Automotive AŞ, we work with all our strength in an effort to 'CONTINUOUS DEVELOPMENT' by fulfilling the requirements of our responsibilities in line with all these principles, in accordance with laws and regulations, in order to achieve OHS goals.



Farba 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 studies.
- 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 AŞ, 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.



Farba 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 AŞ, 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.



Farba Information Security Policy

With the implementation of this policy, as Farba Otomotiv A.Ş 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 studies 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.



Farba 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.). Modern slavery, Human trafficking 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. Women's rights are respected.
- 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.
- 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 Otomotiv AŞ, 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.



Farba HR 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 Otomotiv AŞ, 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'.



Our 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.

As Farba Otomotiv AŞ, 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 to benefit the world, humanity and all stakeholders.



Farba 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 Otomotiv AŞ, 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.



Farba 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 AŞ, 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.



Farba 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.
- 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 AŞ, 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 7 April 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 7 April 2016 and numbered 29677 ("KVKK") and the Communiqué on the Procedures and Principles to be Followed in Fulfilling the Obligation to Inform published in the Official Gazette dated 10 March 2018 and numbered 30356, we aim to inform you about your personal data processed by FARBA Aydınlatma Sistemleri Anonim Şirketi ("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.

These are;

- Execution of the customer recognition process,
- Managing quotation, contract and order processes,
- Managing the process of evaluating customer complaints,
- Carrying out the invoicing and document issuance process and sharing the data within the scope of this process with FARBA's group companies and the support service provider,
- Conducting company presentations,
- Carrying out the process of transport operations,
- Execution of the proxy process given to the Customs Consultant,
- It consists of the processes of recording the contact information of the Customers and Suppliers with whom we cooperate and carrying out the process.

You can find detailed information about KVKK on our website.



MANAGEMENT SYSTEMS

QUALITY MANAGEMENT

We strive to meet customer expectations at the highest level with our understanding of Quality Management, which we have meticulously carried out since our establishment. In this direction, we follow national and international standards and regulations in order to offer quality and safe products; we ensure sustainable control of our processes.

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 standardisation of our work error-free with poka-yoke (error prevention) applications.

In order to meet the expectations of our customers before and after sales, we work in accordance with high quality standards in our laboratories with thermal, electrical, mechan-

ical, optical, radiographic, chemical and dimensional (3D) measurement capacities that improve our product quality.

We care about our customers' feedbacks in our new product development phase. We interpret each stage of our process within the scope of Advanced Product Quality Planning (APQP), focusing on the responses of our customers. In order 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 the certification of our employees as IPC Trainers and IPC Experts. In this way, we ensure that the standard in question is understood and easily implemented from the sub-material input to the product.

As FARBA, we carry out our analyses and investigations to find the root cause of errors by using problem solving techniques (8D,A3). The analyses we make in this way help to improve our future performance and solve problems, but also serve as a reference. In this direction, we carry out Kaizen studies to improve our processes. We have the Reflection system to ensure corporate know-how and to utilise this know-how in new projects. 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 2023, in addition to our Quality Management activities, in-house document management software and FMEA software were introduced to find potential failure modes and causes in our production processes.

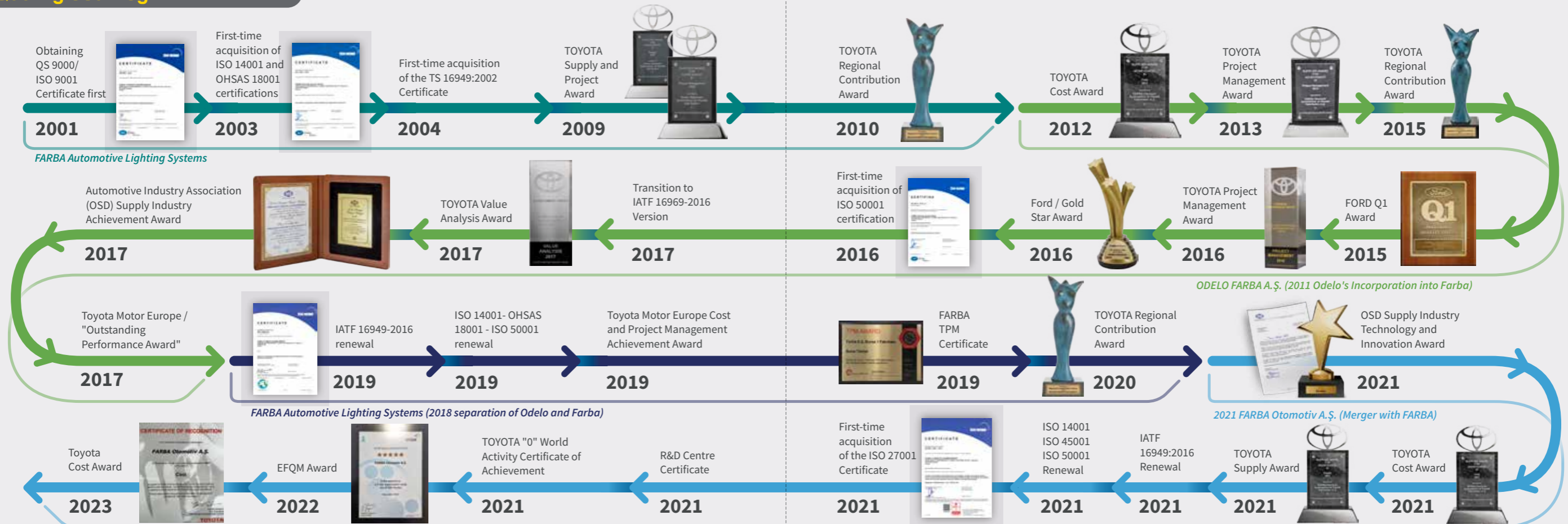
We have a lean production culture and organisation in our company. Lean production is the

work we aim to increase efficiency in production lines by applying internationally recognised methods to achieve operational excellence in our company.

These efforts include minimising wastes in production lines, establishing a standard business culture, adopting on-site quality (Jidoka) studies and supported by tools such as continuous improvement (Kaizen), value flow mapping (VSM) and Just-in-Time (JIT). Thanks to this customer-oriented system, our products with high quality standards provide both low production costs and short delivery times, while ensuring environmental sustainability thanks to our fast and efficient production.

Our company has been included in the EFQM (European Foundation for Quality Management) process as of 2021 and received the Competence in Excellence 5 Star award in 2022.

Quality Journey



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 standards valid for the Automotive Quality Management System into the project management process in accordance with the company culture.

With our project management approach that prioritises the highest level of quality, efficiency and timeliness, we seek to meet the needs of our customers in the best way possible. We have set ourselves the goal of 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 ensure that the projects reach their targets, thus guaranteeing the approval process.

Project Management Methodology is the methodology followed for the realisation of 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. As FARBA, we attach importance to project management processes. We start our project preparation process with the necessary feasibility studies and information meetings, we manage all project activities by adapting to the customer calendar with regular project meetings, we reach project closure with the project closing presentation and lessons learnt from the project.

FARBA 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 targets in Quality Management;

- We have obtained 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.
- We have obtained ISO 50001 Energy Management System certificate 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.

- In order to leave a clean and healthy environment for future generations, we have obtained the ISO 14001 Environmental Management System certificate in order to increase our efforts to reduce the consumption of natural resources and carbon emissions.
- We have ISO 27001 Information Security Management System certificate 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, by following the international standards related to our business; We make continuous improvements in our Quality Management system within the scope of ISO 9001: 2015 Quality Management System and IATF 16949: 2016 Automotive Quality Management System standards. In addition, we have the Q1 certificate given to first level suppliers by Ford Otosan.

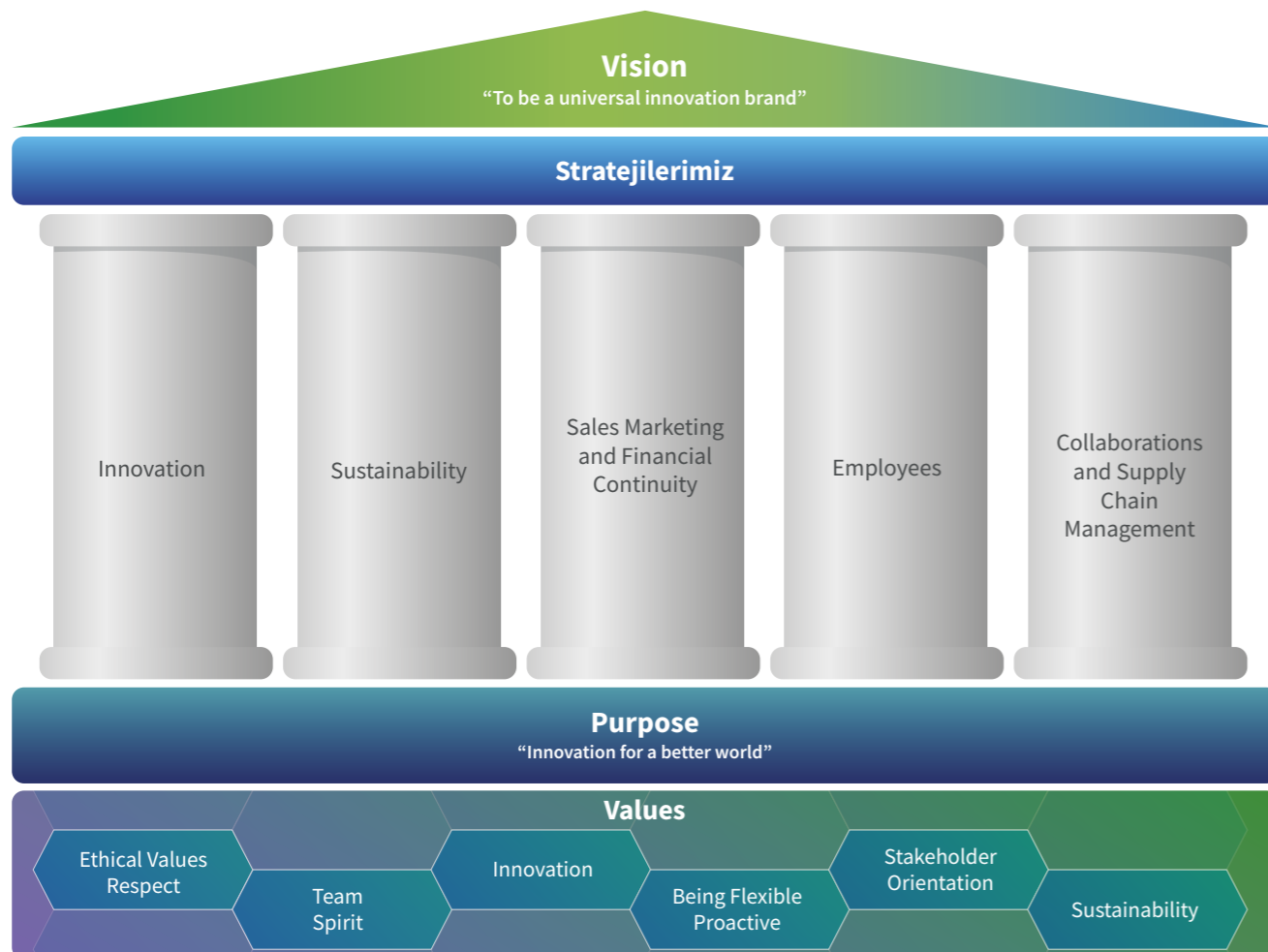
Our company has the Authorised Economic Operator Status certificate, which is granted to persons who meet the conditions stipulated in the Regulation on Facilitation of Customs Transactions and who are deemed to be resident in the Turkish Customs Territory, including free zones, in accordance with customs legislation, to benefit from certain facilities stipulated in customs and foreign trade legislation.

STRATEGIES AND RISK MANAGEMENT



STRATEGIC MANAGEMENT STRUCTURE

We formulate our strategies in 5-year periods at the Strategic Management Meeting attended by the Senior Management, and at these meetings, which are repeated every year, we re-evaluate our vision, goals and core values within the scope of internal and external environmental analysis, ecosystem analysis, SWOT analysis, key stakeholder expectations, stakeholder matrix and global trends report, etc. and update them when necessary.



RISK MANAGEMENT SYSTEM

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 organisation.

We consider stakeholders, internal and external factors to identify the causes of risk. Among the groups we take into account when determining our risks are primarily our stakeholders. Our stakeholders are primarily our employees and customers, Business and Governance (Shareholders, Ministry of Industry and Technology, Ministry of Labour and Social Security and Ministry of Environment, Urbanisation and Climate Change), Suppliers and Collaborations, Society. The internal elements that we define as standards are corporate knowledge, organisational culture, values, information system, technology facilities, objectives/strategy, performance ma-

agement, binding contracts, equipment and management. External factors consist of technology, economy, laws, politics, suppliers, customers, competitors, automotive/lighting market and environment.

We determine Risk Analyses within our company in order to minimise the negative effects of our risk management. After determining the analyses, we evaluate all our actions on a 9-point scale in order to minimise risks. For risks with a score of 6 and above, we take action and follow up on the same table. This creates a prioritised list of risks, following the preparation of the list;

- 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 the process owners and add new risks or opportunities by the team, if any.

- According to the results of the actions determined or implemented, we determine the new risk level of the relevant risk in the risk follow-up report, follow up and prepare it for presentation.

Risk analyses in FARBA include the following elements.

- Internal and external considerations
- Stakeholder/parties
- Risks and causes

- Opportunities

We address our risk monitoring process with a comprehensive perspective and ensure that it is carried out continuously and as a daily activity. We monitor risks in order to assess that management processes are well managed and risks are minimised.

We ensure that Risk Management Matrices are reviewed once a year. Actions and new risks and opportunities are discussed.

RISK ASSESSMENT MATRIX

Possibility \ Violence	Less (1)	Medium (2)	Serious (3)
Less 1	Slight Risk 1	Tolerable 2	Moderate 3
Medium 2	Tolerable 2	Moderate 4	High Risk 6
Frequently 3	Moderate 3	High Risk 6	Intolerable 9

RISK SCORE AND ACTION

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



Strategic Risks (SWOT)



Strategic risks are identified by the meeting participants at the end of the internal and external environment analysis at the strategy management meeting. It is monitored on a yearly basis and the actions taken are reviewed at the next strategic management meeting and a decision is made on whether the risk continues or not.

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 department. Financial audit assesses whether risks are managed appropriately. Our financial audit process is carried out by an independent company on behalf of the board of directors.

Process Risks

(Operational, Environmental, OHS, Energy, Information Management, etc.)



It covers the identification of risks in the process and operational risks.

Risk Score	Risk Level	Risk Prevention	Process Quality Performance
1	UNIMPORTANT	No precautions are required, routine activities are continued	No loss of Customer / Business / Production / Sales No financial cost impact No legal requirements / No injury / No environmental damage
2	LOW	Requires Training-Warning	Low loss of Customers / Business / Production / Sales Financial cost impact low Injury with first aid / Temporary Environmental Accident, pollution
3-4	MEDIUM	Long-term activity planning is expected (1-2 years)	Customer / Business / Production / Sales loss short term 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 costs (100-250 K) Serious injury / Significant long-lasting environmental accident
9	VERY HIGH	Urgent Corrective action measures are taken and require detailed research, planning and implementation (1-4 weeks)	Customer / Business / Production / Sales loss is extremely very high Very high financial cost (>250 K) Legal Compliance Violation / Government Investigation / Death / Catastrophic environmental accident

Table 1: Risk Prioritisation Table

ETHICS MANAGEMENT



As FARBA, we carry out all our activities with a management approach that is responsible, transparent, accountable and prioritises our stakeholders. While carrying out our ethical management, we observe our business ethics principles in all our processes and carry out our work in accordance with our business ethics. In this way, by organising 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 expressed by our founder İzzet Bayraktar and which is our building block. It is also very important in terms of the political management of our company to notify us in case of any violation of our code of ethical behaviour and to take the necessary actions in this direction. We also want our business partners to act in accordance with our ethical principles. In this context, we explain ethical issues in the on-the-job orientation trainings of our suppliers and business partners and distribute the 'FARBA Ethics Handbook' to employees.

Ethical notifications received by our company are simultaneously e-mailed to the ethics committee consisting of the Human Resources Manager, Human Resources Director and General Manager and evaluated by the committee. In the event that an ethical violation is detected, we apply all necessary sanctions. If you would like to provide us with any feedback in this context, you can reach us here.



ETHICS COMMITTEE

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

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

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

Ethics Committee Chairman

Director/ Financial Affairs and Human Resources

Ethics Committee Member

Director/Factory Management (Lighting-Electronics)

Ethics Committee Member

Department Manager/Human Resources and Administrative Affairs



SUSTAINABILITY MANAGEMENT

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.

The Sustainability Committee consists of the following persons;

- **General Manager**
- **Factory Directors** (*Electronics-Lighting*)
- **Engineering Director**
- **Supply Chain Director**
- **Human Resources and Administrative Affairs Manager**
- **New Projects and Quality Assurance Manager**
- **Sustainability Department Representatives**

In this context, we organise periodic meetings every 3 months and take into account the environmental, social and governance dimensions of sustainability. We identify risks and opportunities related to our Ethics, Human Resources, Occupational Health and Safety, Environment and Energy, and supplier development processes together and carry

out evaluations before our Sustainability Committee.

Although our Quality Assurance department is responsible for the sustainability activities of our organisation, we continue our work with the support of all our other units. In addition, we present all our efforts in this context to all our stakeholders through our FARBA Sustainability Report published every year.



FARBA 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 sustainable perspective. In line with our mission, vision and core values, we aim to raise awareness on social, environmental and economic sustainability. In this context, our Sustainability Policy, which we have shaped in accordance with our company values, is given below.

SOCIAL

- We respect universal human rights and support them under all circumstances.
- We respect Employee Rights and become the preferred workplace.
- We comply with the rules of business ethics.
- We ensure all work safety.
- We support equal opportunities, diversity, inclusion and development.
- We respect the rights of unionisation, collective bargaining and organisation.
- We do not discriminate.
- We pay attention to the balance between work and private life.
- We apply a participatory management approach.
- We recognise, manage and transparently disclose health, safety and environmental impacts throughout the value chain and product life cycle.
- We take our responsibility to society seriously. We support volunteering and social responsibility activities.
- We consider opposition to corruption and bribery as a fundamental responsibility, and we carry out our business and operations with this understanding.
- We treat legal regulations as a minimum requirement and manage all management processes in a transparent, fair, responsible and accountable manner.

- We participate in and support professional associations.
- We support the United Nations Sustainable Development Goals.

ENVIRONMENTAL

- We take the protection of the environment and the careful use of resources as the focal point of all processes.
- We see the most efficient use of natural resources as part of our business.
- For less waste, we reduce waste at the source and implement Zero Waste Management.
- We use renewable and efficient energy through Energy and Carbon Management.
- We control environmental impacts with the Environmental Management System.
- We minimise the impact on the environment in products and raw materials.
- We always consider the impact on the ecosystem.

ECONOMIC

- We manage the value chain responsibly. We make continuous development and improvements.
- We see quality at the centre of all our work.
- We produce maximum economic value.
- We manage corporate risks in strategic-operational-financial terms and keep this culture alive.
- We ensure business continuity.
- We carry out independent audits.
- We work with our suppliers that comply with human rights, equal opportunities, business ethics, safe working environment, all laws and FARBA values.
- We attach importance to innovation and develop our R&D culture.
- We support corporate entrepreneurship.
- We protect our knowledge and know-how under all circumstances.

SUSTAINABILITY APPROACH



As FARBA, we aim to fulfil 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. In this context, we always act with an improvement approach in our work by adopting the issues of raising public awareness and protecting the environment as our primary goal. In this context, we have included below the Sustainable Development Goals that we take as reference and pay attention to implement while continuing our activities.



SKA 5: Gender Equality

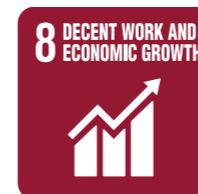
As FARBA, we continue our work with the steps we have taken to ensure gender equality by adding female power to our employment power. Our female employment rate increased each year compared to the previous year and reached 11.6 per cent in 2023. We aim to increase this rate to 15% in 2030 with our future studies.



SKA 7: Accessible and Clean Energy

We pay attention to using reliable, sustainable, modern, accessible, accessible and clean energy in our fields of activity. For this purpose, we use "Green Energy" recognised by IREC. We make our calculations by comparing the percentage of renewable and green energy with total consumption. In this direction, we want to increase the 30% green energy utilisation rate, which we set as a target in 2022, to 30% in 2023 and 50% in 2050.

In the coming years, we aim to reduce the air emission rate by increasing our railway and maritime transport capacity. We calculate our clean energy utilisation studies in line with ISO 14064:2018. In 2030, we aim to be neutral in Scopes 1 and 2, and in 2050 we aim to be neutral in Scopes 1, 2 and 3.



SKA 8: Decent Work and Economic Growth

As FARBA, we continue to increase our employee satisfaction by improving the safe and ergonomic working conditions we offer to our employees every year. We go through the process of measuring and evaluating the work we have done with the surveys we carry out with our employees. We increased our employee satisfaction rate from 62% in 2022 to 69% in 2023. As a result of the work we have done, we aim to increase it to 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 are strengthening our corporate culture structure with the ethical principles and directive we have established. We continue with zero complaints about ethics and human rights and we aim to continue our success in this area in the coming years.

As FARBA, we care about our stakeholders in the supply chain on behalf of the environment, society and our employees. We take into account that the companies in the supply chain, with which we work or will work, are sensitive about carbon emissions. We initiated Supplier Sustainability Awareness Raising Activity (SSAIA) for our suppliers in 2023. We request reporting from companies to ensure that their CO2 emissions are transparent and traceable. We are also committed to obtaining commitments from companies in our supply chain to reduce their carbon emissions.

We find environmental, social and governance interactions in our company highly valuable. We are aware of the necessity of sustainability in every field in order to increase these interactions. Within this framework, we ensure that sustainability studies are reviewed by our senior management at equal intervals 4 times a year. As a result of these reviews, we set the targets for the following year.



SKA 12: Responsible Production and Consumption

With the aim of reducing the waste generated from our operations, we have ensured the efficient use of cardboard packaging by investing in new technologies. We continue our efforts in this direction and aim for a reduction of 25% in 2030 and 30% in 2050.

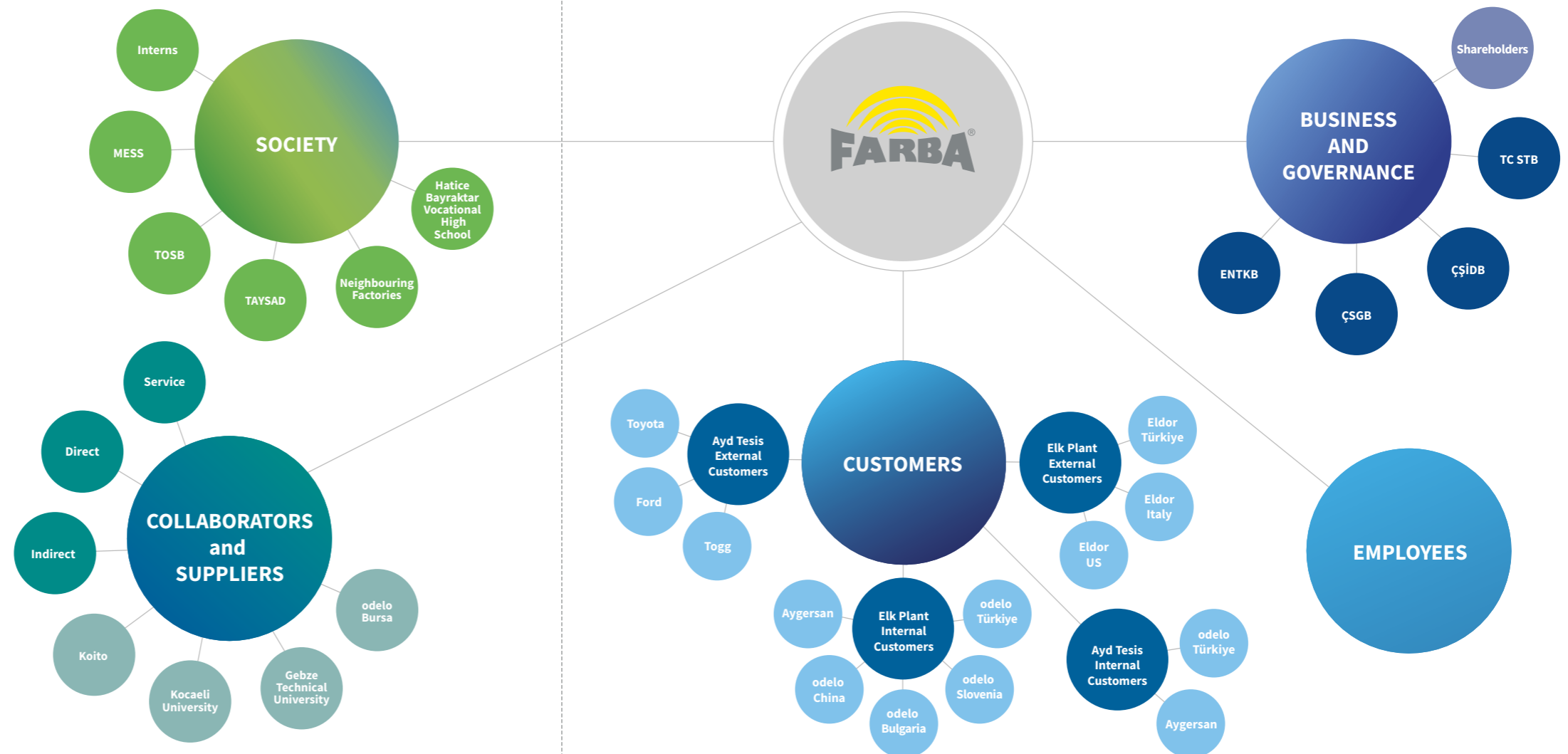


Our stakeholders consist of Business and Governance, Society, Collaborations and Suppliers, Customers and Employees . We act with the awareness of our responsibilities towards each of these groups. In this context, we evaluate the priorities and demands of our stakeholders through comprehensive communication and a well-functioning feedback mechanism.

We also determine our sustainability targets with the active participation of our stakeholders and shape our plans accordingly. Thanks to our organisation’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. We aim for all our stakeholders to contribute to our sustainability process through satisfaction surveys.

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 organisation. Our communication and cooperation with our stakeholders constitute one of the fundamental elements of our company’s value creation model. We establish dialogue with our different stakeholders through various channels and include their views in our decision-making processes.



1. Continuous Quality Improvement Activity (CQI)
2. Supplier Sustainability Awareness Raising Activity (SSAIA)
3. Sub-Industry Monthly Monitoring Development Tracking
4. Social Responsibility Project-Hatice Bayraktar Vocational and Technical Anatolian High School

Within the scope of the social responsibility project, under the leadership of the Supply Industry Development Team, we provide plastic injection, logistics and production planning, maintenance and quality trainings by experienced Farba experts in order to prepare our vocational high school students for professional life.

Procurement Activities:

We act with a win-win approach in mutual trust, transparent and open communication with all our suppliers. We expect our suppliers to comply with FARBA ethical policy and principles and we respect the ethical values of our suppliers. We do not establish business relationships with contracted organisations or supplier candidates who do not comply with these ethical policies and principles. When selecting our suppliers, we check the existence of OHS, Environmental Management System and requirements; we ensure that our expectations regarding labour conditions and human rights are met.

We conduct monthly and annual performance evaluations in our purchasing unit.

Our Supplier Performance Criteria are given below:

1. Sub-Industry & Supplier Monthly Performance Evaluation (Monthly)
2. Sub-Industry External Audit Follow-up (Monthly)
3. Service Supply Industry Performance Evaluation (Annual)
4. Cost Reduction Performance (3 Months)

5. Price Increased Material Tracking Performance (3 Months)
6. Raw Material Price Monitoring Performance (3 Months)

Direct + Indirect Suppliers;

According to the Number of Suppliers	2023	2022	2021
TOTAL	947	875	820
Domestic Suppliers	802	400	365
Assessed according to environmental criteria	88	30	28

We respond to all the needs of the factory with our experienced staff consisting of specialised and competent personnel. With approximately 947 suppliers from 25 different countries, we offer our customers products with superior performance.

Our total supply volume;

Supply Volume Amount (Million €)	2023	2022	2021
TOTAL	107	102	93
Domestic Suppliers	41	30	19
Domestic supplier assessed according to environmental criteria	21	1,1	1
Overseas supplier assessed according to environmental criteria	55	1,1	1

We are objective and transparent in the application of environmental and social principles in the procurement and supply selection process.



Our Supplier Contracts;

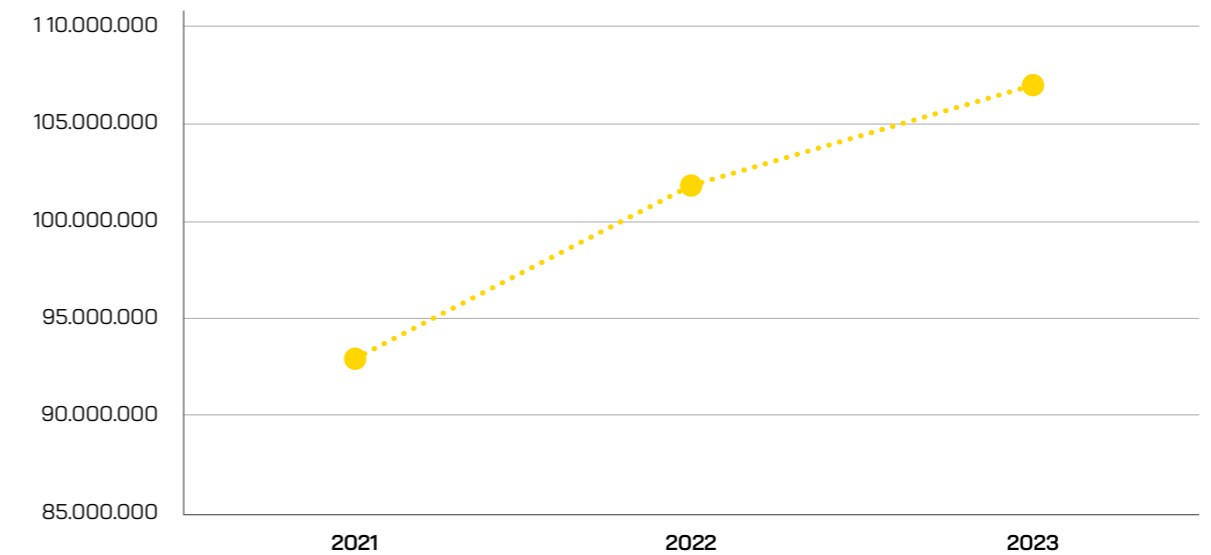
2023			2022			2021		
Number of Contracts (procurement)	Paid on Due Date (Number)	Paid on Due Date (Rate-%)	Number of Contracts (procurement)	Paid on Due Date (Number)	Paid on Due Date (Rate-%)	Number of Contracts (procurement)	Paid on Due Date (Number)	Paid on Due Date (Rate-%)
126	126	100	116	116	100	106	106	100
126	126	100	116	116	100	106	106	100
88	30	28	88	30	28	88	30	28

Our key suppliers;

	2023	2022	2021
Number of Countries of Suppliers	24	10	9
Number of Suppliers	145	20	20

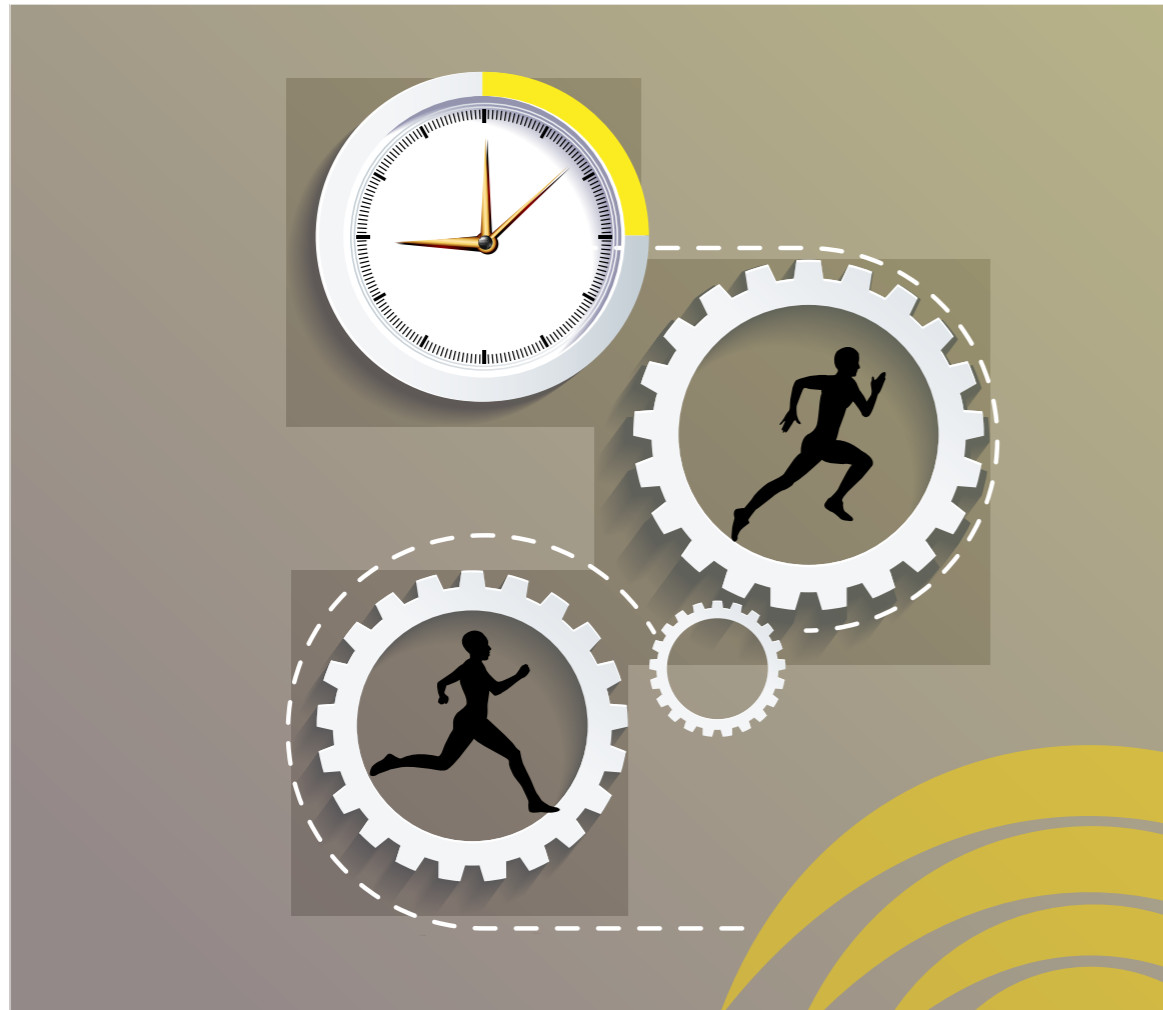
In all our purchasing activities, we work with our reliable basic suppliers who are aware of occupational health and safety, environment, quality and social responsibility, and we aim to establish long-term cooperation.

Total Procurement Amount(€)



As Farba, we aim to add value to the ecosystem and to be sustainable with innovative practices that meet the expectations of our stakeholders and customers and are open to innovation based on financial, legal, ethical and general management requirements.

The materials we supply are given below.



Material Purchase	Items Received		
	2023	2022	2021
Material Components (tonnes)			
Paper	113,5	103,2	68,6
Electronics	478,1	327,8	228,5
Plastic	3.399,4	2.581,8	2.056
Glass	0,28	0,3	0,4
Metal	164,5	125,8	87,6
Food	295,7	274,2	124,1
TOTAL	4.451,4	3.413,1	2.565,2

We will continue our supplier co-operation and supply chain activities based on transparency, accountability and mutual trust in order to provide superior performance products to our customers and add sustainable value to our key stakeholders and suppliers.

R&D STUDIES

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 organisation 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 maximise customer satisfaction with our value-oriented products and solution methods. As a product of this strategy, we produce Headlamps, rear taillights and electronic components in our modern facility in TOSB with our competent employees, advanced technology equipment and machinery parks.

We have also developed designs suitable for wireless charging, type C and usb charging, which we produce as automotive interior accessories.

In addition, we closely follow the technological developments in the sector and invest in digital transformation projects. For this reason, following our decision to continue 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 ERP integrated processes. Our FARBA Information Management process consists of a structure that supports all our other processes in the organisation. Therefore, thanks to 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 fulfil our Information Security targets, we continue to invest in hardware, software and human resources throughout our company.

As a result of our active work on R&D, we received the R&D centre 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 2023 were related to the following studies.

- TOGG Sedan ASK Development Project
- Headlamp Production Technology and Process Development Project for Toyota New C-HR 130D Vehicle
- Dual Function Bi-LED Headlamp Development Project
- Unistop 5 LED ASK Development Project
- Ford V801 ASK Development Project
- Ford H566 Headlamp Development Project
- LED Sidemarker Development Project
- 4 Channel LED Driver Chip Development Project

The number of employees in our R&D centre is shown in the table below.

	FEMALE			MALE			TOTAL		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Number of R&D Employees	14	8	7	59	46	44	73	54	51



ENVIRONMENTAL MANAGEMENT





ENVIRONMENTAL MANAGEMENT SYSTEM AND ENVIRONMENTAL PERFORMANCE

It is very important to protect the environment and prevent climate change in order to leave a more livable and clean environment for the future. As a company that is aware of the importance of our natural resources, we pay attention to protecting our environment and minimising our impacts and raising awareness of the society on this issue. In this context, in our processes, we fulfil all our legal requirements with ISO 14001 Environmental Management System and ISO 50001 Energy Management System standard as internal audit. We carry out our external audits through TÜV NORD. We follow the legal regulations related to environmental management within the scope of "FARBA OHS & Environment 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 endeavour to use our resources efficiently by trying to prevent pollution caused by production, and we make improvements by taking various actions in this regard. 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 in the future. In this context, we made a total environmental investment of 100,000 TL in our company in 2022.

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

Our Lighting Installations:

- Environment & Occupational Safety Unit

- OHS & Environment Supervisor
- OHS & Environment Specialist
- OHS & Environment Department Responsible
- OHS & Environment Field Responsible
- Environmental Consultants

Our Electronic Facilities:

- Environment & Occupational Safety Unit
- OHS & Environment Supervisor
- OHS & Environment Specialist
- OHS & Environment Department Responsible
- OHS & Environment Field Responsible
- Environmental Consultants

As FARBA, we ensure the controls of the Environmental Management System targets

set by our Committee and are carried out by the management from a single point of view.

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 the 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 installing sensors instead of production interior and exterior lighting.
- We mediate the delivery of domestic waste oil and batteries to licensed recycling companies.

Every year in June we celebrate "Environment Month" in order 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 recognise that strengthening our management infrastructure is of particular importance for improving our environmental performance. In this context, we also take into account the economic impacts brought about by environmental risks and accelerate our decision-making processes. We also work to manage environmental impacts within the scope of risk management.



As a result of the analyses 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 way.
- We carry out 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 each area, we have responsible persons 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, and we do not victimise our customers by not interrupting our production.
- When we experience long-term natural gas interruptions, we keep very limited gas usage areas in order to avoid problems and we take care that these facilities have 2 days of additional stock. In this way, we eliminate risks such as an uncomfortable working environment or transport disruption.
- We attach great importance to the quality of the environments where our employees work, we have regular maintenance and spare compressors in

order to avoid possible air compressor problems.

- In our production processes, we replace old machines with new machines with high energy efficiency as we progress with project-based machine investments. This moves us forward both environmentally and technologically.
- In order to minimise air consumption in our deionisers, all deionisers to be purchased are selected to operate electrically.
- We have specialists who constantly follow the changes in energy legislation in order to keep up with them.
- In order to make the change in energy costs correctly, we make annual energy agreements.
- 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 good level in terms of knowledge. They can take action and manage the process when necessary.
- Risk factors such as occupational accidents, loss of prestige, penalties or service interruption are minimised by managing issues 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 increase in temperatures worldwide at a rate above the average causes climate change and causes the global warming catastrophe.

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 things and measures need to be taken.

Greenhouse effect gases are the gases that cause the sun 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 emission. The increase in greenhouse gas emissions is one of the important factors causing climate change.

CO2 emission resulting from the consumption of primary energy resources has the highest share in greenhouse gas emissions. CO2 emissions constitute an important part of the vehicle and its lifecycle in the automotive sector, and emissions from products and services provided by suppliers constitute a significant part. According to the Turkish Automotive Main Industry Sustainability Report, one fourth of the greenhouse gas emissions in the EU is emitted from the transport sector.

For this reason, we carry out 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 into account the life cycle.

While continuing our company activities, we attach importance to steps such as the risks brought by the climate crisis, transition



to a low carbon economy, reduction of greenhouse gases and adaptation 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

Our company is aware of its responsibility for environmental sustainability and combating climate change. In this context, we are committed to our goal of minimising our environmental impact and contributing to a sustainable future by transparently reporting our greenhouse gas emissions.

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

We are working to fulfil our responsibilities in the fight against climate change by reducing energy and emission intensity in our products.

Our 2023 carbon emission table is given below.

Scope Name	Farba 2023	Farba 2022	Farba 2021
	Total Emission (tCO ₂ e)	Total Emission (tCO ₂ e)	Total Emission (tCO ₂ e)
Category 1 Direct Greenhouse Gas Emissions	916,57	834,57	798,46
Category 2 Imported Energy Sourced DSGE	5.948,93	5.621,49	5.697,77
Category 1+ 2 TOTAL	7.818,062	6.456,07	6.496,23



ENERGY MANAGEMENT

Energy plays an important role in a wide range of activities from production to the supply chain and is an integral part of our operations.

By using our resources rationally, ensuring energy efficiency and integrating renewable energy sources, we not only contribute to our business processes but also have an important role in reducing our environmental impact.

The importance we attach to energy management is at the centre of our Company's sustainability vision in order to act in consideration of the needs of future generations 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.

Thanks to our Energy Management Systems, we strive to create a more efficient system by regularly monitoring and analysing our energy production and consumption. In addition, we develop projects in line with our targets and continue our journey in the sector to be better at every step.



With our energy management;

- We prioritise the use of renewable energy sources and increase our energy efficiency efforts by reducing carbon emissions.
- We emphasise the use of green energy and consider all aspects of all processes, designs and equipment, including energy efficiency, in the context of environmental protection.
- We comply with all legal regulations on the purchase, transport, storage, use and reduction of hazardous wastes arising from the use of chemical substances and we never use prohibited 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 organise our environmental practices and reporting to meet the requirements and expectations of all relevant stakeholders.
- We take measures to reduce our consumption of natural resources and carbon emissions.

We analyse our processes through our energy department representatives at regular quarterly meetings. In order to evaluate possible problems or opportunities, we conduct SWOT analyses and evaluate our performance ratio in our meetings. We then quickly implement the necessary improvements and systemic innovations.

We constantly renew our mechanisms with the follow-up of new technological developments, and we create a system to continuously reduce the energy consumed for the product per unit. Thus, we take

measures to prevent wastage by quickly identifying energy consumption.

In energy management, it is among our good practice examples realised in 2023;

- By applying heat pumps to the boiler and chiller units used for facility air conditioning, the use of natural gas was limited and 1,178,604 kWh of energy was saved and 212.53 tonnes/year CO2 emission was prevented.
- Supply of air leakage device for the detection of leakage points throughout the factory,
- LED lighting conversion,
- Transition to automation systems,
- In order to save natural gas, thermostatic valves are added to the heating coils of the administrative building.
- Compressor replacement of chiller refrigeration unit,
- Injection moulding machines driver improvements,

As FARBA, the total amount of our expenditures within the scope of energy management in 2023 is € 17,259. Expenditure details are given in the table below.

Expenditure Item	Amount (€)
Chiller compressor replacement and gas additions (ELK)	10.000
Injection moulding machine drive optimisation (AYD)	7.259
TOTAL	17.259

I-REC (Renewable Energy Certificate) developed by RECS International is an international certification system that certifies that electricity is generated from renewable energy sources. As FARBA, we received IREC Certificate in 2023 with 7,299,000 kWh (35% of annual electricity consumption).

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

Energy Expenditure (2023)

Electricity Consumption



47.959.014 €

Natural Gas Consumption



2.551.860 €

Total: 50.510.874 €



In our monitoring activities, we continuously monitor electrical energy with up-to-date technologies using our production equipment and field analysers, which we access via Browser, and continuously record the measurement data. We are also working 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 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. Thanks to the detailed analyses we have conducted and the innovative approaches we have adopted, we have succeeded in reducing operational costs and significantly reduced our environmental impact through our energy efficiency efforts. In addition, the investments we make to ensure a more sustainable use of our energy resources and our move 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 our entire team's commitment to our sustainability goals through our energy-saving training programmes and internal communication efforts. We also play a role in raising sustainability awareness throughout the industry with the projects we realise in cooperation with sector stakeholders.

We are committed to continuing and increasing our achievements in the field of energy management for the coming period. In addition, we will continue to work on energy efficiency and resource management by combining elements such as 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 sector.

Target	Base Year	Base Year Value	Reporting Year	Reporting Year Value	Target Completion Year	Reporting Year Realisation Status (%)
After the regression analysis, the expected monthly consumption max. Being within 5% (for electricity)	2021		2022		2023	-6,8
After the regression analysis, the expected monthly consumption max. To be within 5% (for natural gas)	2021		2022		2023	-12,0
The ratio of monthly electricity consumption to turnover does not exceed 1.5	2021		2022		2023	1,74
The ratio of monthly natural gas consumption to turnover does not exceed 0.15%	2021		2022		2023	0,10



WATER MANAGEMENT

Water is one of the basic resources of life and plays a vital role in all aspects of human activity. However, the fact that the global water crisis is becoming more and more evident necessitates the efficient management of water resources. By focusing on the conservation and efficient use of water resources in our sustainability reports, we aim to fulfil our responsibility to protect our ecosystems and society from possible future water crises.

As FARBA, we adopt a responsible water consumption and management approach in our operations. We support the use of technology to increase the reuse of water. Thanks to our closed circuit water conditioning system, there is no process-based water use in production. We use photocell sinks and urinals in the toilets. We organise 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 are also continuously

making improvements in our efforts to minimise water use. In this context, regarding our improvement works carried out in 2023, steel spiral hose application was started to prevent water leaks in the moulds designed for new projects.

In 2023, our actual water consumption amounts are shown in the table below.

Source	Activity (Tonnes)	2023	2022	2021
Water taken from the mains	Water withdrawal amount	17.429	21.581	16.553
Sewerage	Amount of water discharge	17.429	21.581	16.553



WASTE MANAGEMENT

The circular economy concept, 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 stage 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 waste management in compliance with laws and regulations, and we also carry out activities to raise environmental awareness among our employees and stakeholders. We also manage our waste management approach according to ISO 14001 Environmental Management System principles. In this process, we provide

disposal/recycling processes with licensed companies by providing information flow via e-mail by our factory waste officer. We realise the disposal of all of our wastes. In addition, as an institution, we aim to fully comply with legal regulations by working with licensed waste companies in the coming period in order to protect biodiversity.

The waste amounts of the last 3 years are in the table below.

WASTE INFORMATION (Tonnes)	2023	2022	2021
	Waste Generated	Waste Generated	Waste Generated
Paper	25,7	27	32
Electronics	0,2	0	0,4
Plastic	8,6	20	5
Glass	0	1,6	0
Metal	1,4	1	0,6
Other	71	43	49
TOTAL	106,9	82,6	87

Waste Types	Unit	2023	2022	2021
Amount of hazardous waste	gr/pcs	30	19	18
Amount of non-hazardous waste	gr/pcs	10	12	13

We carry out audits on our waste management through internal and external audits and monthly periods. We evaluate the 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.

OCCUPATIONAL HEALTH AND SAFETY APPROACH



As FARBA, we endeavour to provide a safe working environment for all our employees. Therefore, we take our responsibility to continuously improve our Occupational Health and Safety (OHS) practices and fulfil our environmental responsibilities. For this purpose, we reinforce our OHS culture within our organisation 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 with OHS targets, and aim to achieve continuous improvement and excellence in OHS culture through proactive practices and OHS activities throughout the year. 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 2023, we include Risk Analysis, Stop6 Audits, KYT-KYG (Hazard

Prediction Training - Hazard Prediction Level Determination Trainings), Reba (Rapid Whole Body Assessment) Ergonomics Analyses 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 the month in question, we ensure that the importance of OHS is recognised through different OHS practices and projects.

Stop6 Field Inspections:

with the "Stop6 Field Inspection", we identify the risks that may occur beforehand and prevent the possibility of accidents. With

the principle of cross audit, we bring audit teams together with the employees of the departments within the enterprise, and by involving the senior management in the project, we aim to prevent awareness and business 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 estimation 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 analyses 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. In our company, we contribute to the ergonomic OHS performance of our employees with this practice.

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 subordinated to the Lighting and Electronics Plant Directorates in both plants in the organisation chart.

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

We notify the occupational accidents that occur in our facility to the occupational safety unit via the occupational accident



notification form. We analyse 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 completed our 187,575 hours of working time that we completed with our working staff in 2022 by preventing possible serious injuries and work-related deaths with the OHS culture we aim to achieve perfection and the OHS activities we implement.

Working Hours Person*Hour	2023	2022	2021
TOTAL	216.577	187.575	185.395

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 target of 0 occupational accidents and 0 occupational diseases every year.

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

	2023	2022	2021
Number of Accidents	16	19	17
Lost Day due to Accident	48	59	67



SOCIAL PERFORMANCE



HUMAN RESOURCES APPROACH

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

We believe that happier employees and happier workplaces are the key to social development and economic growth. As an institution, we aim to carry out every work we do in an environment with happy and prosperous employees, and we strive to grow by increasing the number of our employees and to increase our targets.

While continuing our activities within this scope, we take care to provide equal rights to all our employees by focusing on employee experience, prioritising lifelong development values, and adopting a fair and accountable approach.

We, who always prioritise the happiness and health of our employees, do not allow any discrimination based on language, religion, race, gender, philosophical and religious views within our organisation. If we realise that any discrimination is made in this regard; we ensure that the necessary sanctions are applied.

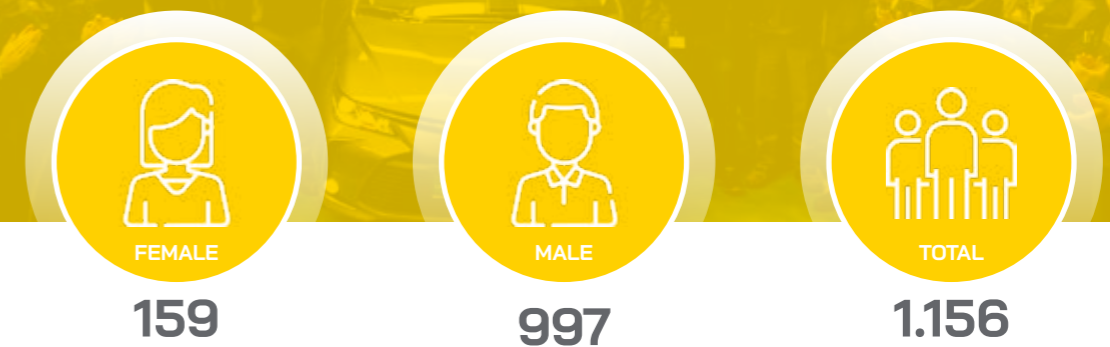
With this attitude that we apply in order for our employees to continue their activities in a free environment, we also prevent all discriminatory situations that may occur within the organisation. In addition, we do not neglect to inform our employees about the decisions we take and our new activities;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



We aim to improve our work with the perspective of Human Resources every day. We also pay attention to make improvements and take necessary actions regarding our

Human Resources Policy. In this context, our number of employees for 2023 is shown in the table below.

TOTAL NUMBER OF EMPLOYEES (Including Subcontractors)



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. While our 1156 employees are our most important and key stakeholders, we also see our employees as the key to our strategy of creating sustainable social value and continuous growth.

We endeavour to support the development of each employee by encouraging them in line with their own talents. In order to improve the overall performance of our company, we aim to maximise the talents of all our employees and their capacities within the organisational structure in a sustainable manner. Supporting the development of our employees throughout their professional lives and developing their creativity are among our priorities. We focus on providing the most suitable environment for our

employees to succeed in the ever-changing business conditions. We see continuous development as a great power that will carry our company to the future; we strive to provide Farba employees with the knowledge, skills and competences they will need in the business world of tomorrow.

In this way, we increase our employee loyalty rate and see our Human Resources practices as an important component of unlocking the potential of our employees. Within the framework of the individual performance and competency assessment results of our employees, in accordance with the corporate culture and strategy as well as the human resources policy; we determine training and development needs according to the requirements of the job. While our trainings start with the orientation process, we subject our employees to a series of training processes including personal development, trainings that improve their technical



Recruitment Processes and Benefits

At FARBA, we start our recruitment process by determining the need. Workforce planning is carried out every year by the Financial Affairs and Human Resources department within the relevant budget year. We determine the number of employees expected to be recruited during the year on the basis of the relevant department. We recruit new employees to replace those who leave their jobs for various reasons during the year.

quality of life of our employees and to offer them equal opportunities.


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

We accept job applications from different sources such as e-mails, websites, career portals or recommendations from our employees. After analysing the applications, we conduct a competency-based interview, personality inventory test according to the position, high potential identification inventory, and English test. Our interviews are conducted by the relevant department managers and our Human Resources department. A job offer is made to the suitable candidate by the Human Resources department. We complete the recruitment process with the candidate completing the necessary documents and starting work on the specified date.

Our remuneration package consists of position-based salary, premium, bonus, fuel, travel assistance, private health insurance, company phone and company car.

We have enriched our leave policy with additional leave periods added to the legal leave periods by taking into account employee needs. We have shuttle services on various routes for lunch and transportation of our employees. For our mothers working in our company, each mother has 1.5 hours/day of milk leave until the child reaches the age of 1, as stipulated by law. Religious holiday aids for all employees, food packages during Ramadan, shoe aids, motivation rewards, seniority rewards, kaizen suggestion system rewards, OHS rewards, special day applications, education aid, R&D studies premium payments, bonuses, fuel aid.

We have established our remuneration policy in a fair manner in order to improve the




Year	Region	Number of Employees Attending Trainings	Average training hours per employee (Hours)	Total Training Hours (Employee*Hours)
2023	Female	1034	11,28	11.664
	Male	5.694	12,44	70.833
	TOTAL	6.728	11,86	82.497

knowledge and skills, vocational trainings, and legally mandatory trainings.

We receive feedback from our employees regarding the training they receive and we always evaluate this feedback in the next trainings. In addition, in order to improve the foreign language level of our employees, we cooperate with foreign language training organisations and enable our employees to receive training outside the company. In 2023, the number of employees who participated in the trainings we organised and our total training hours are shown in the table below.

We divide our company's training activities into internal and external trainings. 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 training includes training programmes conducted jointly with independent consultancy firms.



Number of Employees According to Working Hours	2023	
	Kadın	Erkek
0-5 Years	78	369
5-10 Years	67	514
10 Years and Over	14	114
Total (Gender Based)	159	997
TOTAL	1.156	





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 labour force 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 increase the effectiveness of our female employees in decision-making mechanisms. We regard 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 many employees who are different from each other in terms of age, gender, religion, language, ethnic origin, education and talent, and the multi-colouredness that this brings. In this regard, our Company prioritises the common sense within the Company and we are committed to continue our efforts in this regard in the coming years.

The number of employees by gender and age is given below.

	2023	
	Female	Male
Number of Employees by Gender and Age		
over 50	8	18
between 30-50 Years	107	640
under 30	44	339
TOTAL (Gender Based)	159	997

We present the ratio of women to men among the newly recruited personnel below.

	2023 Newly Recruited Personnel	Female		Male	
		Number	Rate (%)	Number	Rate (%)
	253	60	23,71	193	76,28

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 have employed a total of 31 employees.

	Number of Disabled Employees by Gender	2023	2022
Female		7	4
Male		24	27
TOTAL (Year Based)		31	31

In 2023, there were 328 white-collar and 778 blue-collar employees in our company.

	White Collar		Blue Collar	
	Female	Male	Female	Male
Number of Employees (Excluding Subcontractors)	71	257	60	718

Employee Satisfaction Survey Implementation Method

We are making progress in our goal of increasing our employee satisfaction by improving working conditions every year, which we have set in line with the Sustainable Development Goal Principles. We attach great importance to the satisfaction of our employees and display a human-centred perspective.

We regularly measure and report employee loyalty, satisfaction and corporate culture through third parties in order to receive feedback from our employees and to determine actions to increase employee loyalty and satisfaction, and we create the working environment in this way.

The satisfaction of our employees is measured once a year in April-May by our



Human Resources Department through a survey method. We apply the employee satisfaction, loyalty and corporate culture survey to all our employees in the same period and using the same method.

- We make preparations for employee satisfaction, employee loyalty and corporate culture surveys by making an agreement with the relevant third party for the year in which the survey will be conducted. After giving approval to the 3rd party, the platform completes its preparations
- We send the platform link and/or QR code

sent by the third party to all personnel via SMS and e-mail 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 scientifically based survey solutions to FARBA.

We encourage a suggestion system for employees to improve quality and efficiency.

Our Employee Satisfaction rate is below.

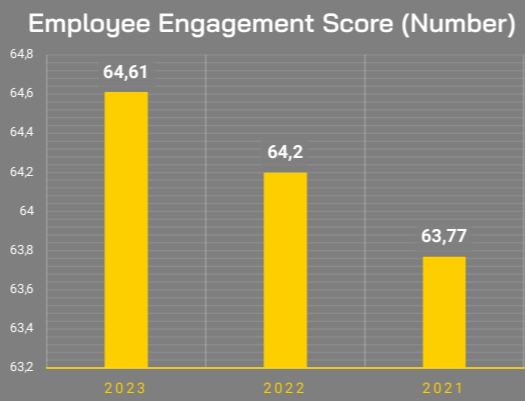
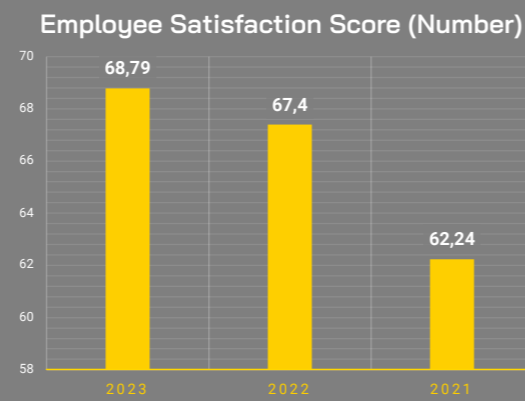
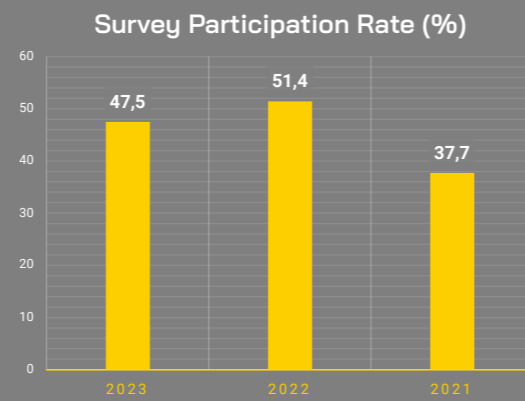


The number of complaints submitted and resolved by employees through the Request & Complaint & Thank You line in the ERP system is given below.

	2023	2022	2021
Number of Employee Complaints	298	310	43
Number of Resolved Complaints	264	265	32

In 2023, we organise 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 knowledge contest with prizes to raise OHS awareness, a painting contest to increase the OHS awareness of employee families, seniority awards, and get acquainted dinners.





Customer Satisfaction

One of the cornerstones of our company's sustainability strategy is customer satisfaction. Understanding the needs and expectations of our customers not only improves our business processes, but also plays a critical role in our efforts to minimise our environmental and social impact.

One way to increase customer satisfaction is transparency and effective communication. Our company communicates openly and honestly about our environmental and social responsibilities and regularly informs our customers what we are doing and how we are improving in the process. This transparency increases customer trust and reinforces their support for our sustainability goals.

Our customers' satisfaction with our products and services, their feedback and their demands show us not only how successful our business is, but also how we can better align with our sustainability goals. By using environmentally friendly materials, increasing energy efficiency and minimising waste, we aim for both customer satisfaction and environmental sustainability.

Thanks to the feedback we receive from customers, we implement corrective and preventive actions in complaints submitted to us. In this regard, 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.


In addition, 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 make 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 the relevant stakeholders, thus encouraging them to become partners in the solution.

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 of 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; we implement permanent improvements in our systems and processes in parallel with complaints and suggestions. As a result of our solution-oriented approaches, we have measured our Customer Satisfaction rate as 85% in 2023. We have resolved all 20 customer complaints submitted in 2023 throughout our organisation.

	2023	2022	2021
Total Customer Complaints	20	21	24
Resolved Customer Complaint	20	21	24

Sales and Marketing

Sustainability is a philosophy at the centre of our business strategy. The effective adoption and publicisation of this philosophy depends on the strong and effective management of our sales and marketing strategy. As FARBA, we have emphasised transparent and open communication in order to further develop our marketing and communication strategy in 2023. 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 prefer the most accurate communication methods and aim to establish long-lasting collaborations with our customers. We work with Toyota, odelo, Eldor and TOGG, which are among our customers, on a long-term basis; we take care to exchange information with our customers on every subject.

In this regard, we are following a road map 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 we carry out a request for proposal research for the next version of a project already

produced. We take actions such as keeping the channels (system, e-mail and direct communication) open for new requests, carrying out 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.

In order to increase product and service diversity, we organise studies to add new technologies or new materials to projects and manage their follow-up as a result of customer requests, new offer requests and follow-up of sector developments. We make an effort 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 use social media effectively in our marketing and communication activities and interact directly with our customers. Our company's social media accounts contribute to increasing the awareness of our brand. We have 23,571 followers on LinkedIn and 707 followers on Instagram. Our website has been visited by 52 thousand people so far.



CORPORATE SOCIAL RESPONSIBILITY





As FARBA, we are aware of the responsibility we have to assume towards the society with our corporate social responsibility activities. While carrying out our activities with this sense of responsibility, we increase our contributions to improving social life and being sensitive to the environment every year. While realising our projects, we act by taking into account the needs of the society, the expectations of our stakeholders and environmental impacts.



In 2023, in addition to the physical support we developed for our employees in the name of environmental protection, training activities and industrial collaborations, the support we provide to raise awareness for non-governmental organisations is among the social responsibility activities of our corporation.

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.



2023 CSR Project Targets:

	Vegetable Waste Oil Collection	To ensure the protection of the environment by collecting oils every year
	Environmental Cleanliness	Increasing the level of social awareness by environmental cleaning in the determined location
	Education Industry Collaborations	Bringing young talents to companies through education-industry collaborations, providing physical support to educational institutions
	TEMA	Raising awareness of social responsibility and awareness
	Hatice Bayraktar MTAL Education Support	Providing technical support to the school we founded, improving its physical conditions
	Blood and Stem Cell Donation	Raising awareness of social responsibility and awareness
	Hope Foundation for Children with Cancer Project Support	Raising awareness of social responsibility and awareness
	LÖSEV	Raising awareness of social responsibility and awareness
	BiKahve Interview	Increasing in-house communication
	A to Z Youth Project	Increasing in-house communication
Webinar	Providing webinar information to employees on socio-cultural issues	



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Sustainability Team

To learn more about the FARBA 2023 Sustainability Report and our company's sustainability practices, do not hesitate to contact us.

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