

# 2022

## SUSTAINABILITY

## REPORT



**TB SEWTECH TURKEY**



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**GRI Content Index****Abbreviations**

<b>ESG</b>	Environmental, Social & Governance
<b>TB</b>	Toyota Boshoku
<b>TBT</b>	Toyota Boshoku Türkiye
<b>TBSTR</b>	TB Sewtech Turkey
<b>MTBP</b>	Mid Term Business Plan
<b>TBEU</b>	Toyota Boshoku Europe
<b>TBJ</b>	Toyota Boshoku Corporation



# We invite you to join us in our journey towards a sustainable and happier world

At TB Sewtech Turkey, we take pride in manufacturing seat covers for the automobile industry. Our purpose, "Crafting Happier Journeys with Our Stakeholders," extends beyond delivering quality products. It reflects a dedication to Environmental (E), Social (S), and Governance (G) principles that contribute to the well-being and happiness of our stakeholders.

## Environment:

Our production processes prioritize energy efficiency and waste reduction. In 2024, we will enhance these efforts with our "Solar Farm(Power Plant)" investment, enabling us to derive 100% of our energy from renewable sources. Through such investments, we aim to minimize our impact on the environment, ensuring a greener, healthier future for all.

## Social:

At the core of our success is the joy of our employees, customers, and society. We foster a workplace culture that values diversity, inclusion, and well-being, including a strong commitment to female employment. By prioritizing the well-being of our diverse workforce and communities, we aim to generate a positive effect that extends far beyond our company walls.

## Governance:

We maintain high standards of ethics, and transparency in all our business dealings. By adhering to sound governance practices, we not only ensure the trust of our sta-



keholders but also create a foundation for sustained success. Our governance framework is designed to support responsible decision-making that aligns with our purpose, values, and the pursuit of happiness for all those connected to our business.

In conclusion, this sustainability report reflects our commitment to a better future. As we navigate the road ahead, we invite you to join us in our journey towards a sustainable and happier world.

**Utku TEKGÜL**  
President

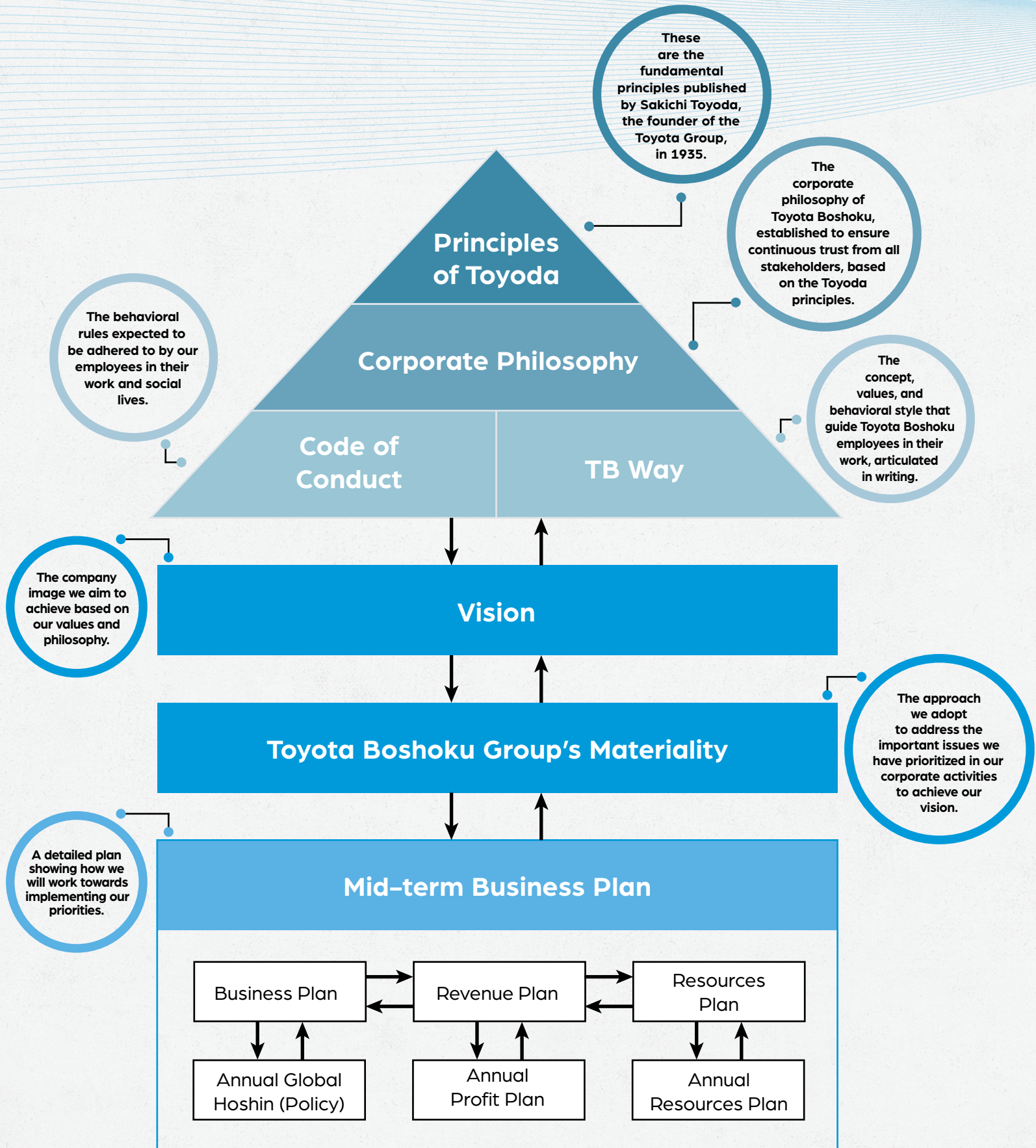


***At the core of our success is the joy of our employees, customers, and society. We foster a workplace culture that values diversity, inclusion, and well-being, including a strong commitment to female employment.***





## MANAGEMENT CONCEPT





These are the fundamental principles published by Sakichi Toyoda, the founder of the Toyota Group, in 1935.

## Principles Of Toyoda

### Principles of Sakichi Toyoda (established in 1935)

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



Sakichi Toyoda



Principles Of Toyoda

## Corporate Philosophy

<b>Society</b>	The company will promote corporate growth while fulfilling the following responsibilities as a good corporate citizen <ul style="list-style-type: none"> <li>• Maintain ethical values, ensuring that our corporate activities are fair and transparent;</li> <li>• Supply safe products that do not harm the environment; Promote corporate activities that help protect the global environment;</li> <li>• Create a better society as a member of our local communities.</li> </ul>
<b>Customers</b>	The company will develop innovative technologies and products to deliver quality that satisfies our customers.
<b>Shareholders</b>	The company will promote innovative management policies that ensure future corporate growth and the trust of our shareholders.
<b>Employees</b>	The company will build and maintain positive labour-management relations, respect the individuality of its employees and create safe and comfortable workplaces.
<b>Business partners</b>	The company will promote open and mutually beneficial relationships with its business partners in pursuit of long-term growth and prosperity.

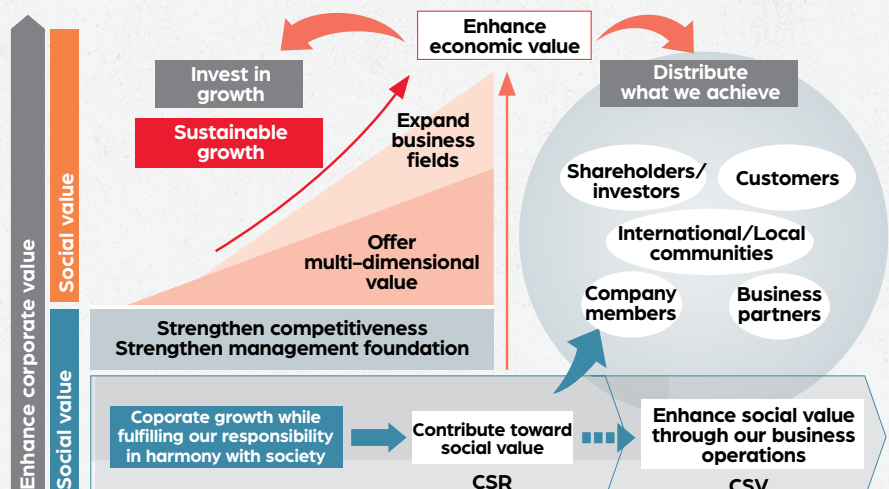
## TB Way (Our values and behavioural principles in concrete terms)

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

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

## The Management Structure We Aim to Become

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





## KEY TO PROSPERITY: EMPLOYEE HAPPINESS

Our commitment to the happiness of our employees is not just a corporate goal; it's the foundation upon which we build sustainable success. We firmly believe and witness that happy employees, realizing their full potential, become the driving force behind improvement. We also strive to build a homelike warm atmosphere where everyone shares respect culture. These approaches enable us to maintain high motivation of our employees.



Employee  
Satisfaction  
Rate:  
**84%**

## OUR COMMITMENT TO "NEVER BE SATISFIED"

We embrace the "Kaizen" (continuous improvement) mindset in all aspects such as quality, efficiency, and cost. To strengthen our competitiveness, we meticulously work on each and every single element in workshop in pursuit of streamlined & employee-friendly processes. By fostering a culture of collaboration and open communication, we empower our employees to contribute ideas further enhancing the efficiency of our operations.



2022  
Efficiency  
Improvement  
Rate:  
**4,0%**





## EXCELLENCE IN QUALITY

In line with “Build-in quality” approach, we consider the next process as our customer and only pass on good quality products to that downstream process. Therefore each of our workshop member is empowered to stop the production line whenever they detect an abnormality. This proactive approach allows us to identify and resolve root causes of problems resulting in minimized internal & external defect rates.

2022  
Delivered Defect  
To Customers:  
**2,9 ppm**  
(6 sigma)



Female  
Employee  
Rate:  
**51%**

## DIVERSE WORKFORCE, SOCIAL CONTRIBUTION

We add value to Düzce's young, talented, and high-quality workforce. With the awareness that the products we produce are used on all continents of the world, we focus on cultivating broad-minded and open-minded individuals. We contribute to social development with our high rate of female employees and the local employment we create.







## Giving Back to Earth

Our philosophy has always been to support the well-being of our planet, Earth. At TB Sewtech Turkey, we believe in the ideals of sustainable development – leaving a better world to future generations –. In line with this spirit, we have initiated the construction of a solar farm (power plant) for renewable energy production, with plans for opening in 2024.





As TB Sewtech Turkey, we care about the environmental, social and governance impacts of our operations. We are pleased to release our second sustainability report, aiming to transparently communicate the value we contribute to society in a more comprehensive manner for all stakeholders.

**Reporting Scope**

The information in this report covers the activities of TB Sewtech Turkey for the financial reporting year 2022, namely between April 1, 2022, to March 31, 2023. For trend monitoring, we also included data from 2020 and 2021.

**Principles**

Our report has been prepared in accordance with the GRI Standards "Core" option. You can find in the "GRI Content Index" table where the GRI Standards were used in our report.

The report was prepared by internal resources and the data shared in the report were not subjected to external audit. Unless specified otherwise, the data in our sustainability report reflect the operation of TB Sewtech Turkey. Please feel free to share your questions, opinions, and suggestions regarding our report with us at [tbstr.info@toyota-boshoku.com](mailto:tbstr.info@toyota-boshoku.com)







Toyota Boshoku Group, as one of the leading automobile interior space creators in the world, was established in Japan in 1918. Founded by the group's founder, Sakichi Toyoda, Toyota Boshoku has the same roots with Toyota, the leading car maker.

Toyota Boshoku is a system supplier that produces all interior vehicle parts, primarily automotive seats, door trim panels, headliners, and floor coverings. It operates in a wide range of areas, including air intake systems, air and oil filters, interior illuminations, airbags, transmission components, and motor core components. In recent years, Toyota Boshoku has also started producing aircraft and train seats, and it designs and manufactures 'interior vehicle concept vehicles' for autonomous driving vehicles.

Globally, Toyota Boshoku has 91 companies in 25 countries and employs more than 44,000 people. Toyota Boshoku manages its global operations

by dividing into five regions, which include Japan, Europe & Africa, Americas, Asia & Oceania and China, and has designated regional hubs for each region for organization and optimal management. General management is overseen by the global head office in Japan in cooperation with central management regional hubs in each region. The fact that Toyota is a major customer and shareholder of Toyota Boshoku and that our company is Toyota's originating company demonstrates the depth of ties between the two companies.

TB Sewtech Turkey is under the supervision of Toyota Boshoku Europe (located in Belgium), which serves as the hub for the Europe & Africa region.

## THE AMERICAS

TOYOTA BOSHOKU AMERICA, INC. United States

Technical Center  
Silicon Valley Office

TOYOTA BOSHOKU ARGENTINA S. R. L. SEWTECH ARGENTINA S. R. L.	Argentina
TOYOTA BOSHOKU DO BRASIL LTDA.	Brazil
TOYOTA BOSHOKU CANADA, INC.	Canada
TB SEWTECH DE MEXICO, S. DE R. L. DE C. V. TB KAWATEX DE MEXICO, S. A. DE C. V.	Mexico
SYSTEMS AUTOMOTIVE INTERIORS ALABAMA, LLC SYSTEMS AUTOMOTIVE INTERIORS, LLC TBDN TENNESSEE COMPANY TOYOTA BOSHOKU AKI USA, LLC TOYOTA BOSHOKU ILLINOIS, LLC TOYOTA BOSHOKU INDIANA, LLC TOYOTA BOSHOKU KENTUCKY, LLC TOYOTA BOSHOKU MISSISSIPPI, LLC TOYOTA BOSHOKU TENNESSEE, LLC	United States



● Global Mainstay Hub

■ Regional Management & Collaboration Hub

## Seat Business



Seats



Sports Seats



Seat Frames



Executive Lounge Seat

## Interior &amp; Exterior Business

## Interior Components



Interior System



Door Trims



Headliners



Illuminations

## Filter &amp; Power Train Components Business



Air Filters



Oil Filters



# Global Network



## EUROPE & AFRICA

### TOYOTA BOSHOKU EUROPE N.V.

- Munich Branch  
 - Adapazarı Branch

TOYOTA BOSHOKU FRANCE S.A.S. TOYOTA BOSHOKU SOMAIN S.A.S.	Belgium
MILAN DESIGN BRANCH	Germany
TOYOTA BOSHOKU LEGNICA SP. Z O.O. TOYOTA BOSHOKU POLAND SP. Z O.O.	Turkey
TRIM LEADER, A.S.	France
TOYOTA BOSHOKU SOUTH AFRICA (PTY) LTD.	Italy
TOYOTA BOSHOKU TURKEY INC. TB SEWTECH TURKEY LTD.	Poland
	Slovakia
	South Africa
	Turkey

## CHINA

### TOYOTA BOSHOKU (CHINA) CO.,LTD.

- Beijing Office  
 - Guangzhou Branch  
 - Tianjin Branch

CHENGDU TOYOTA BOSHOKU AUTOMOTIVE PARTS CO., LTD. GUANGZHOU INTECH AUTO PARTS CO., LTD. HEYUAN TOYOTA BOSHOKU AUTOMOTIVE PARTS CO., LTD. KUNSHAN TOYOTA BOSHOKU AUTOMOTIVE PARTS CO., LTD. NINGBO TOYOTA BOSHOKU AUTOMOTIVE PARTS CO., LTD. QINGDAO INJELIC MOULD CO., LTD. SHANGHAI TOYOTA BOSHOKU AUTOMOTIVE PARTS CO., LTD. SHENYANG TOYOTA BOSHOKU AUTOMOTIVE PARTS CO., LTD. TIANJIN INTECH AUTO PARTS CO., LTD. TIANJIN KAHOU AUTOMOBILE DECORATION CO., LTD. TIANJIN TOYOTA BOSHOKU AUTOMOTIVE PARTS CO., LTD. TOYOTA BOSHOKU FOSHAN CO., LTD. TOYOTA BOSHOKU (GUANGZHOU) AUTOMOTIVE PARTS CO., LTD. TOYOTA BOSHOKU (TIANJIN) AUTOMOTIVE PARTS CO., LTD. KAWASHIMA AUTOMOTIVE PARTS JIANGSU CO., LTD. KAWASHIMA TEXTILE MANUFACTURERS (SHANGHAI) LTD. SEIWA SEAT COVERS (BENGBU) CO., LTD.	China
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## JAPAN

### TOYOTA BOSHOKU CORPORATION

## ASIA & OCEANIA

### TOYOTA BOSHOKU ASIA CO., LTD.

TOYOTA BOSHOKU AUTOMOTIVE INDIA PRIVATE LIMITED - Gurgaon Office TOYOTA BOSHOKU RELAN INDIA PRIVATE LIMITED TB KAWASHIMA AUNDE (INDIA)	Thailand
PT. TOYOTA BOSHOKU INDONESIA PT. ATEJA KAWASHIMA AUTOTEX	India
TOYOTA BOSHOKU UMW SDN. BHD.	Indonesia
THAI BOSHOKU PAKISTAN (PRIVATE) LIMITED	Malaysia
TOYOTA BOSHOKU PHILIPPINES CORPORATION	Pakistan
SHIN SAN SHING CO., LTD.	Philippines
BOSHOKU AUTOMOTIVE (THAILAND) CO., LTD. S.K. AUTO INTERIOR CO., LTD. STB TEXTILES INDUSTRY CO., LTD. THAI SEAT BELT CO., LTD. TOYOTA BOSHOKU FILTRATION SYSTEM (THAILAND) CO., LTD. TOYOTA BOSHOKU GATEWAY (THAILAND) CO., LTD. TOYOTA BOSHOKU SIAM METAL CO., LTD. TB KAWASHIMA (THAILAND) CO., LTD.	Taiwan
TOYOTA BOSHOKU HAIPHONG CO., LTD. TOYOTA BOSHOKU HANOI CO., LTD.	Thailand
	Vietnam



Lexus LS  
Seat

Seats  
Outside of  
Automobiles



Railway Seats  
(Photo provided by  
East Japan Railway  
Company)



Aircraft Seats

Exterior  
Components



Bumpers



Fender Liners

Others (Textile  
Components)



Seat Fabrics



Seat  
Belt  
Webbings



Curtain-Shield  
Airbags

Plastic Parts  
Used in Internal  
Combustion  
Engines



Intake  
Manifolds



Air  
Cleaners



Oil Mist  
Separators



## ABOUT TB SEWTECH TURKEY

TB Sewtech Turkey, specializing in producing seat covers for Toyota and BMW, stands out as one of the leading Seat Cover Cutting & Sewing bases in the European Region with its over 1,000 employees and a production capacity of 500 thousand.

Our company was established in 2012 by transferring the sewing and cutting processes in TBT to Düzce. In addition, although we are a separate legal entity, TBT still holds the position of a shareholder. There are extensive relations between our company and TBT. TBT is not only the shareholder, but also the main customer of our company. Some organisational functions, such as Total Quality Management (TQM), Information Technologies (IT) and Health, Safety, Environment & Fire (HSE & F), are performed by co-partner units. In addition, our company ensures its direct commercial relations with TBT as well as its commercial relations with other customers through TBT.

Although our company communicates and shares information with all plants in Europe and Africa, it is the only plant in the region whose product range is only seat covers. With an annual capacity of approximately 500,000 of vehicle/trim cover set, our plant supplies products to the major European market. Even though we are established in the year of 2012, we have achieved tremendous growth in a very short time and proved that our quality and competence are recognised worldwide. Our company, which received a four-star recognition certificate in 2021, aim for the fiscal year of 2026 in MTBP to have the Turkey Excellence Award and the EFQM Europe award.





**TB Sewtech Turkey, specializing in producing seat covers for Toyota and BMW, stands out as one of the leading Seat Cover Cutting & Sewing bases in the European Region with its over 1,000 employees and a production capacity of 500 thousand.**

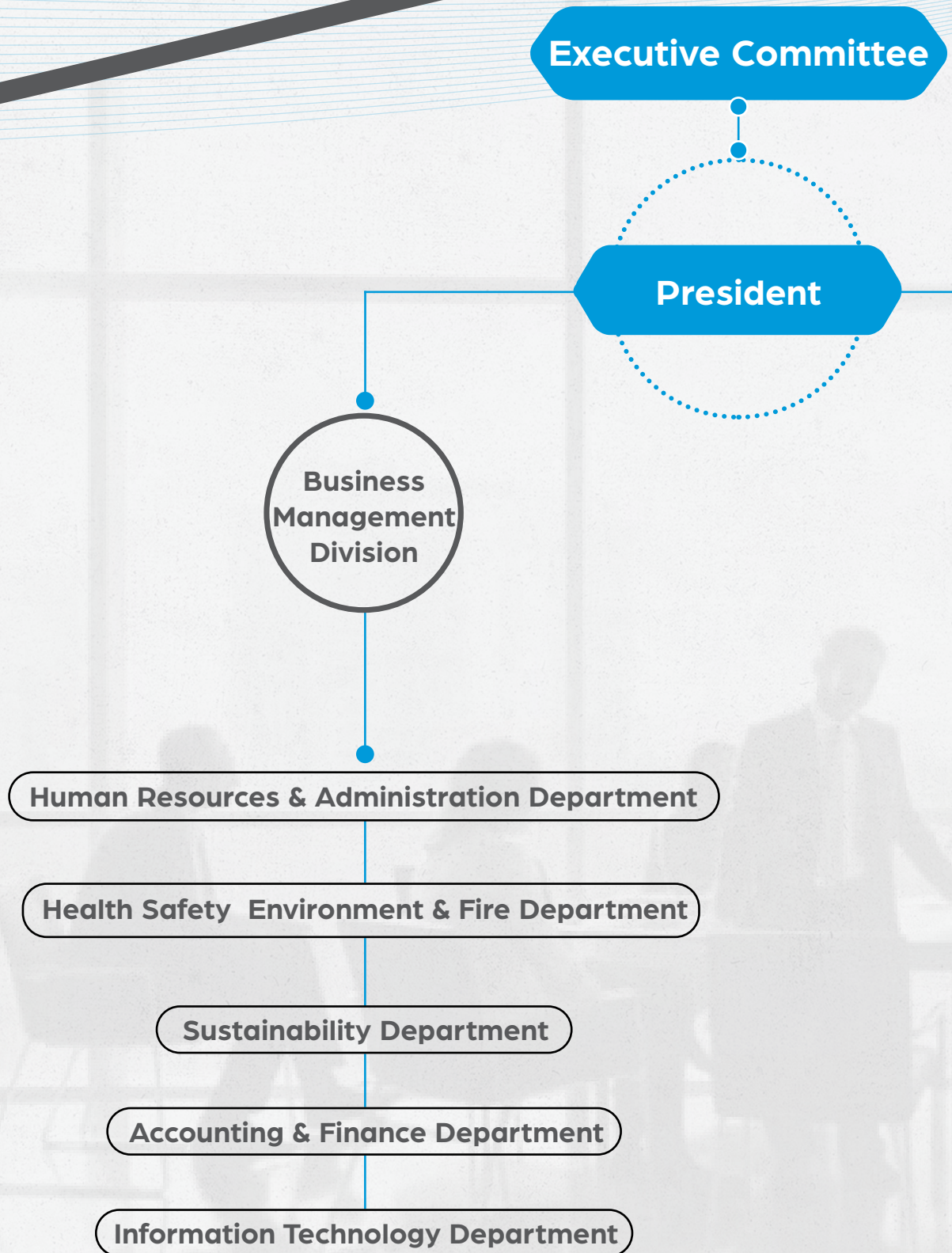
## COMPANY PROFILE

<b>Company Name</b>	TB Sewtech Turkey Otomotiv Sanayi ve Ticaret Limited Company
<b>Products</b>	Automobile Seat Cover , Back Cloth
<b>Production Processes</b>	Cutting, Sewing
<b>Established</b>	June 2012
<b>Address</b>	Topçular Mahallesi 622. Sokak No: 4 Çilimli Düzce / TÜRKİYE
<b>Capital</b>	1,400,000 TL
<b>Shareholders</b>	Toyota Boshoku Türkiye Otomotiv Sanayi ve Ticaret A.Ş. (%100)
<b>Representative</b>	Utku TEKGÜL, President
<b>Total Area</b>	18.500 m <sup>2</sup>
<b>Closed Area</b>	12.137 m <sup>2</sup>
<b>Capacity</b>	500,000 seat covers/year
<b>Number of employees</b>	1005 (March 2023)

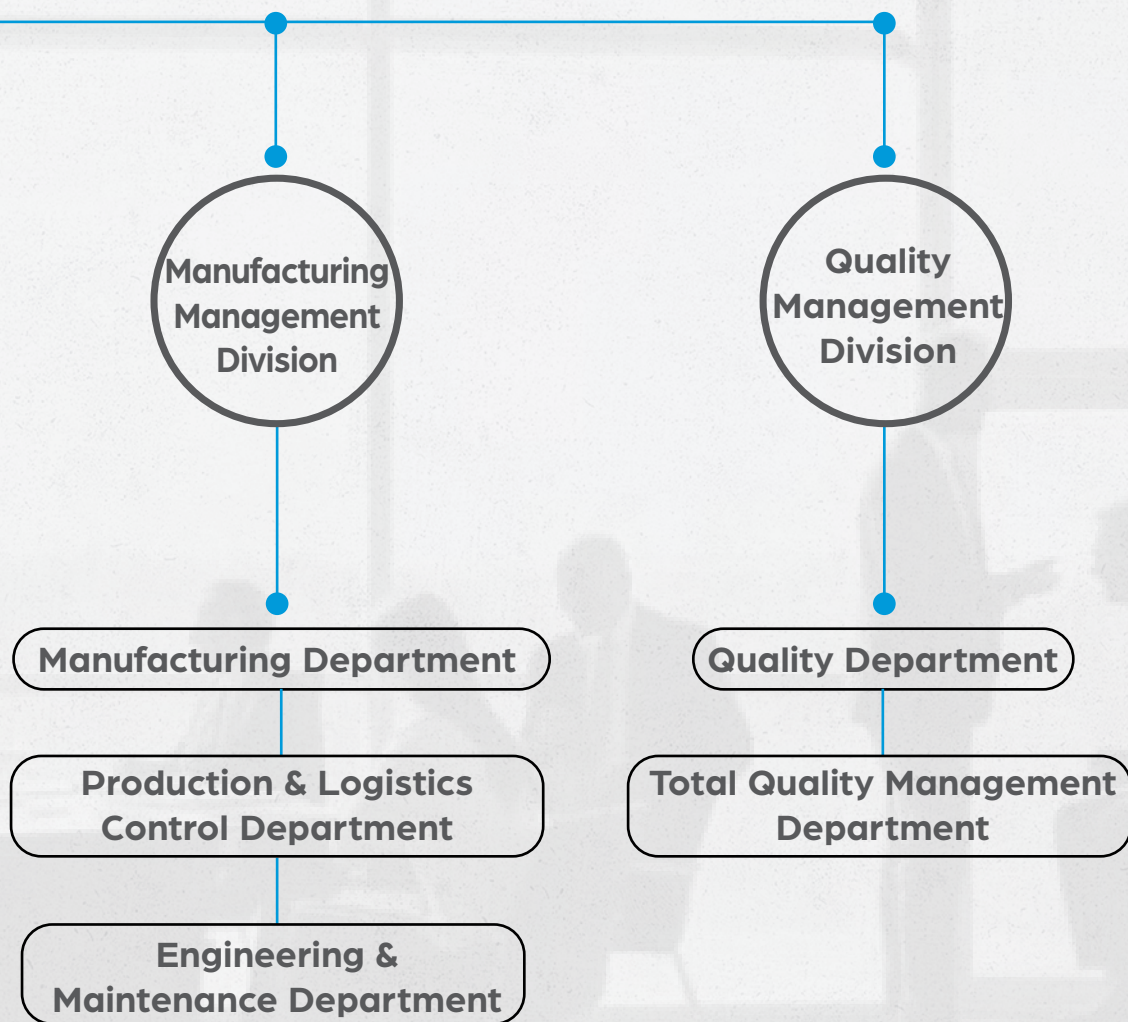




## Our Organizational Structure









## PURPOSE

We craft  
happier journeys  
with our  
Stakeholders

## VISION

To Become TB  
Global Number  
1 Cut &  
Sew Plant

## SLOGAN

Never Be Satisfied!









## Company History



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

2012

- Establishment

- Plant Opening

- Operation Start (Toyota Corolla)

2013

2014



- Certified for ISO/TS 16949 and ISO 14001

2016

- Toyota CHR (Mass Production)

2019

- Production Launch (for Toyota Corolla Hybrid)



- Toyota Boshoku Global Safety Gold Award



TB SEWTECH TURKEY





- Certified for ISO 45001
- 10 th Anniversary

• Awarded "Best Employer"

• Awarded by British Safety Council

- Recognized for EFQM 5-star Competence

• Toyota Boshoku Brand Contribution Gold Award



2023

- Production Launch (for new Toyota C-HR)

- Awarded "Best Employer"



EFQM

2021

- Recognized for EFQM 4-star Competence

- Recognized for TISAX 3 Stars

TISAX

2022



- Production Launch (for Toyota Yaris)

- Certified for ISO50001

2020





## 10th Anniversary

Our company, established in 1997, has reached its 10 th year. In a ceremony attended by public officials and our valued customers,as well as all our stakeholders we highlighted TB Sewtech Turkey's contributions to Düzce and Türkiye.



## EFQM Award

According to criterions of EFQM<sup>1</sup> model, a management model developed by leading organizations in Europe, we have received "5-Star Competency Certificate" last year, TBSTR was recognized with "4-Star Competency". Our goal is to receive the "Turkey Excellence Award" in 2024.

<sup>\*1</sup> European Foundation for Quality Management





## TBSTR: One of Turkey's Best Employers

Following detailed evaluations in the areas of systems for employees and employee satisfaction by the Great Place to Work, TBSTR received three awards. We received awards in the categories of 'Best Employers' with over 1000 employees, 'Best Multinational Companies' with over 500 employees, and 'Best Workplace for Women' with companies with over 500 female employees. Our company, receiving awards in three categories, has showcased its corporate culture based on employee happiness.



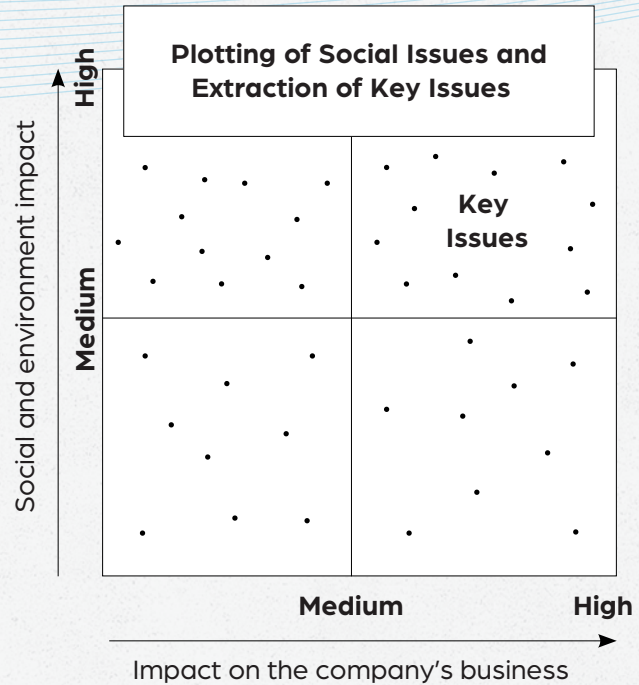
## Solar Farm Launch

One of the important developments for us in 2022 was the decision to establish a solar farm in Mersin aimed at renewable energy production. As a significant milestone in sustainability, we, together with our parent company Toyota Boshoku Türkiye, signed a contract with a subcontractor company as the first step in the 12 million euro investment. Following a 15-month construction period, we plan to meet all our electricity needs from the facility in July 2024.



## Toyota Boshoku Priority Issues Study

In the year of 2019, TB Group has transformed its sustainability efforts aligned with the Group's ESG targets through shifting from CSR to CSV. This transformation is integral for TB Group in terms of its ambitions to become a sustainable, leading global company by enhancing corporate value until the end of this decade. Between April 2019 and July 2020, TB Group carried out a materiality assessment where its material issues have been identified within the scope of the process of drafting the 2022 Mid-Term Business Plan. The table below demonstrates 18 material issues identified through the materiality assessment of TB Group.



**E** Environment **S** Social **G** Governance

**+** Matters for which positive effects are to be maximised

**-** Issues to resolve through core business

Issues to  
Resolve  
through Core  
Business

**E** **S**

Issues Relating  
to Sources  
for Exercising  
Competitiveness

**S** **G**

Safety	Environment	Comfort
Product Safety <b>+</b>	Reduction of environmental loads <b>-</b>	Comfortable spaces <b>+</b>
Reduction of traffic accidents <b>-</b>	Improve productivity <b>+</b>	Promotion of innovation <b>+</b>
Aging society <b>-</b>	Climate change <b>-</b>	
	Energy and resource conservation <b>-</b>	
	Cooperation with business partners <b>+</b>	
People	Organisation	
Ensuring diversity <b>+</b>	Compliance <b>-</b>	
Workstyle innovation <b>+</b>	Governance <b>-</b>	
Respect for human rights <b>+</b>	Strengthened information security <b>-</b>	
Company-member health and work safety <b>-</b>	Fair and equitable procurement <b>+</b>	



# Toyota Boshoku Priority Issues Study

## QUALITY OF TIME AND SPACE

Issues Relating to Safety, Environment and Comfort to Resolve through Core Business

Issues Relating to the People and Organizations that are Our Sources for Exercising Competitiveness

1

As an Interior Space Creator, we will contribute to people's quality of life, creating comfort, safety, and reassurance through innovation.

Comfortable spaces

Promotion of innovation



2

Using our established technical capability, we will contribute to realise a society with no traffic casualties through providing products that assure safety

Product safety

Reduction of traffic accidents

Aging society



3

Together with our business partners, we will realise MONOZOKURI innovations that minimise environmental stress

Productivity improvement

Climate change

Energy and resource conservation



4

We will develop people capable of contributing to society, who have diverse values, a challenging spirit and understand the value of strong teamwork

Respect for human rights

Company-member health and work safety



5

We will continue to be a company of integrity trusted by all our stakeholders, inheriting our tradition of fairness and moral behaviour to the next generation

Governance

Compliance



1

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



4

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



2

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



5

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

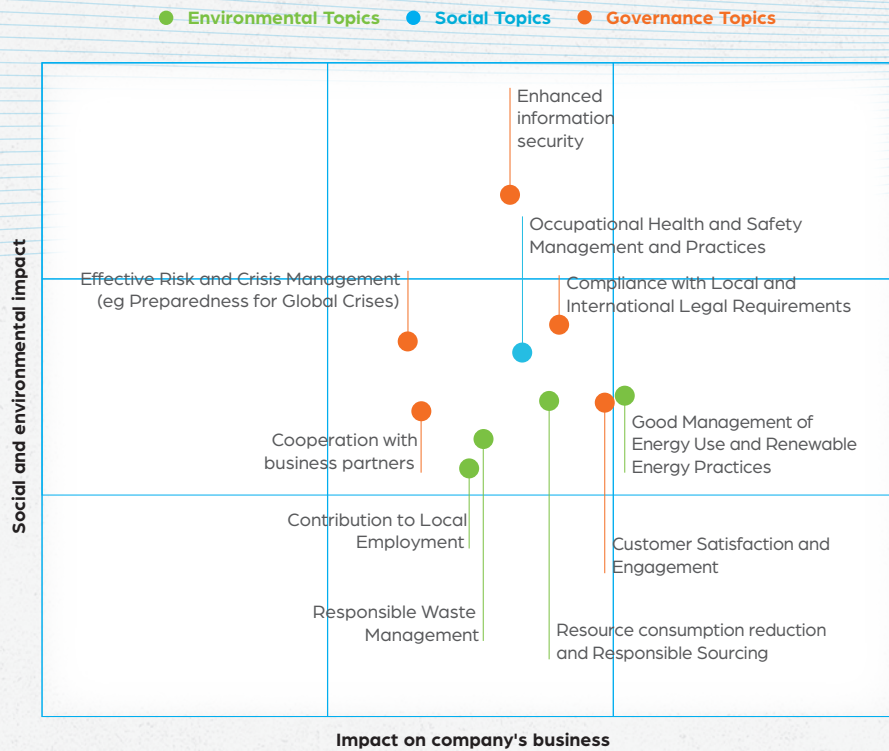


3

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







As TBSTR (TB Sewtech Turkey), we are striving to enhance our sustainability initiatives in line with the TB Group's sustainability strategies. As part of these efforts, we conducted a prioritization assessment with key internal and external stakeholders to identify TBSTR's priority issues. Those who participated in this prioritization assessment were sent a survey asking them to rate specific priority issues for TBSTR based on their importance. The results of this assessment have been

ranked from most important to least important.

With the outcomes of this assessment, ten priority issues have been identified for TBSTR within three main categories: Environmental, Social, and Governance. While six of the materiality issues align with TB Global, four new materiality issues have been identified specifically for TBSTR, including Responsible Waste Management, Customer Satisfaction and Engagement, Effective Risk and Crisis

Management, and Contribution to Local Employment. The materiality matrix illustrates the importance levels of material issues for TBSTR.

When determining TBSTR's materiality items, we have incorporated SDGs (Sustainable Development Goals) into the prioritization model and sustainability management. In this context, we have identified 10 SDGs with details as outlined below, matched with relevant TB priorities such as safety, environment, and comfort. As TBSTR (TB Sewtech Turkey), we have put SDGs on our agenda and set goals for them in the company hoshin. We are working to further structure our goals for SDGs. Additionally, TB Way and TB Code of Conduct, determined by TB Global and implemented by every TB plant, are in compliance with the United Nations Global Compact (UNGC). To stay updated on sustainability matters, annual Materiality Workshops are organized under the leadership of TBEU (Toyota Boshoku Europe). As part of these workshops, various activities are conducted to increase employees' awareness of TB materiality.



















Existing Material Topics for Toyota Boshoku Global

New Material Topics for TB Sewtech Turkey








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

### CSV KPI (KPI contributing to enhanced social value)

CSV KPI (KPI contributing to enhanced social value)			FY 2022 Targets	FY 2022 Results	FY 2021 Results
Local Communities & Global Society					
	Compliance 	Implementation level for Guiding Principles	96%	96%	100%
	Confidentiality Management 	Number of confidential information leaks	0	0	0
	Compliance with Laws and Regulations 	Number of bribery violations	0	0	0
	Fair/Transparent Dealings 	Number of violations of antitrust laws	0	0	0
	Environmental Conservation 	Number of environmental abnormalities* <sup>1</sup> and complaints* <sup>2</sup>	0	0	0
		CO <sub>2</sub> emissions and ratio of CO <sub>2</sub> reduction	2%	4%	2%
		Ratio of waste reduction with basic unit (t/units)	0.5%	0.89%	2,1%
		Rate of reduction in water consumption with basic unit (m3/unit)	1%	1,12%	2,7%
		Number of trees planted as part of reforestation activities	1200 trees/year	1200 trees/year	1000 trees/year
	Social Contribution 	Number of volunteer activity participants	1,5 activity per person	1,5 activity per person	1,5 activity per person
Customers 	Quality 	Quality cost reduction rate	10%	39%	32%
Shareholders 	Disclosing Information in a Timely and Appropriate Manner  	Timely information disclosure to Board of Directors and Shareholders.	100	100	100
Company Members 	Respect for Company Members 	Designated employment rates of people with disabilities	3%	3%	2.9%
		Permanent company members turnover rate	1,5%	0,2%	0,7%
		Encouragement to take paid holidays (annual leaves)	100%	100%	100%
		Overtime hours (Incidence of working more than 270H/year)	0 person	0 person	1 person
	Safety/Health 	"Number of fatal accidents (company members, temporary workers)"	0	0	0
		Receipt and coverage ratio for legal health check	100%	100%	100%
Business Partners 	Safety 	Number of fatal accidents by non-Toyota Boshoku group workers or members	0	0	0



# Our Contributions to United Nations Sustainable Development Goals

Materiality Topic	Related SDG	Contents
<b>Resource Consumption Reduction and Responsible Sourcing</b> <b>E</b>	  	<p>7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p>
		<p>9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>
		<p>12.2: By 2030, achieve the sustainable management and efficient use of natural resources</p> <p>12.4: Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p> <p>12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>
<b>Responsible Waste Management</b> <b>E</b>	 	<p>6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials.</p>
		<p>11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p> <p>12.4: Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p>



Materiality Topic	Related SDG	Contents
<b>Occupational Health and Safety Management and Practices</b> <span>S</span>		8.8: Protect labour rights and promote safe and secure working environments for all employees, including migrant employees, in particular women migrants, and those in precarious employment
<b>Respect for Human Rights</b> <span>S</span>	 	10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
<b>Contribution to Local Employment</b> <span>S</span>	  	10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status  17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries
<b>Enhanced Information Security</b> <span>G</span>		16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements
<b>Compliance with Local and International Legal Requirements</b> <span>G</span>		16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements
<b>Customer Satisfaction and Engagement</b> <span>G</span>		16.6: Develop effective, accountable and transparent institutions at all levels
<b>Cooperation with Business Partners</b> <span>G</span>		17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries  17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships
<b>Effective Risk and Crisis Management (e.g. Preparedness for Global Crises)</b> <span>G</span>	  	3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all  11.B: Substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters  13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

\*SDG 10 and SDG 17, which are not included in Toyota Boshoku Global, are SDGs that emerged in line with our own Materiality as TB Sewtech Turkey.



We, at TB Sewtech Turkey are conscious of our responsibilities in environmental and social terms and are striving to fulfil these duties to leave a more livable world for future generations.

As TB Sewtech Turkey, we are fully aware of our responsibilities in the face of environmental and social challenges and strive to leave a more sustainable world for future generations. Sustainability is at the forefront of our approach, not only in our operational processes but also in every decision and action we take, aiming to create a workplace and a world that can be passed on to future generations.

#### **Business**

To increase our global competitiveness, we target not only operational but also management quality. We aim for sustainable business relations by optimizing our operational results, especially SQDC (Occupational Safety, Quality, Delivery, Cost), and prioritizing the satisfaction of all our stakeholders.

#### **Environment**

Environmental sustainability has been on Toyota Boshoku's agenda for many years, and as a Toyota Boshoku organization, we structure our activities under the headings of "climate change", "water scarcity", "resource depletion" and "biodiversity crisis". Our focus in the medium-long term is on minimizing our carbon footprint for all three scopes.

#### **Social**

As TB Sewtech Turkey, we aim to increase the well-being of both our employees and all humanity with practices that focus on people. The two most important social issues we focus on in the medium term are Human Resources Transformation and Creating Shared Value (CSV). While we address issues such as diversity, equality, inclusion, improvement of the working environment and talent management under Human Resources Transformation, our focus in Creating Shared Value is to enable "development together" by sharing our corporate competencies with all our stakeholders.

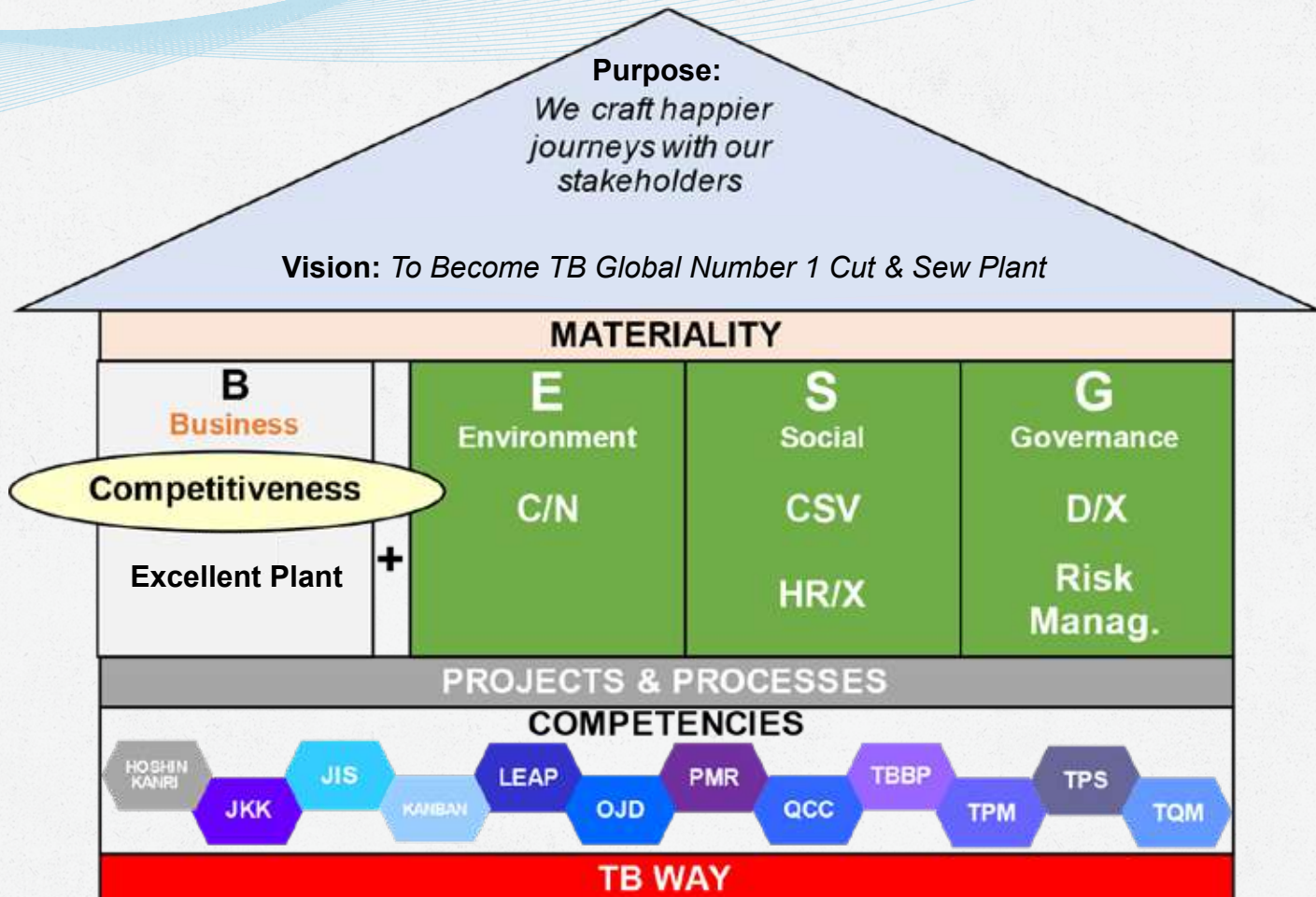
We use Digital Transformation as a tool to ensure transparency, honesty, and accountability, which are the building blocks of our company, and while digitalizing our operational processes, we care not only about efficiency but also about making the processes transparent. In today's rapidly changing world, Risk Management forms the basis of our strategies, and we prioritize our "risk assessment" perspective in every step taken for both business sustainability and the sustainability of the sense of trust offered to stakeholders.

At TB Sewtech Turkey, we mobilize all our resources to increase Environmental, Social and Governance performance. Every member of our company, from senior managers to employees, embraces sustainability issues and accompanies the company's sustainability journey.

**Sustainability is at the forefront of our approach, not only in our operational processes but also in every decision and action we take, aiming to create a workplace and a world that can be passed on to future generations.**

#### **Governance**





### Policies We Have







## We Aim for an Earth Where Children Lead Their Lives with a Smile: Creating a Sustainable Future

In 2016, the Toyota Boshoku group formulated the 2050 Environmental Vision, and has since been dedicated to conserving and preserving the global environment by reducing our environmental impact from various perspectives. However, global environmental issues such as climate change, natural resource depletion, and the biodiversity crisis are intensifying each year.

Against this backdrop, with the aim of focusing on solving environmental issues and contributing to the conservation and preservation of the global environment, Toyota Boshoku conducted a comprehensive review of its past activities and future targets on a global scale.

To deepen its commitment to global environmental conservation, Toyota Boshoku has established three key initiatives in July 2023: measures to prevent global warming in response to climate change, resource circulation to address the depletion of natural resources, and co-existence with nature to tackle the biodiversity crisis.

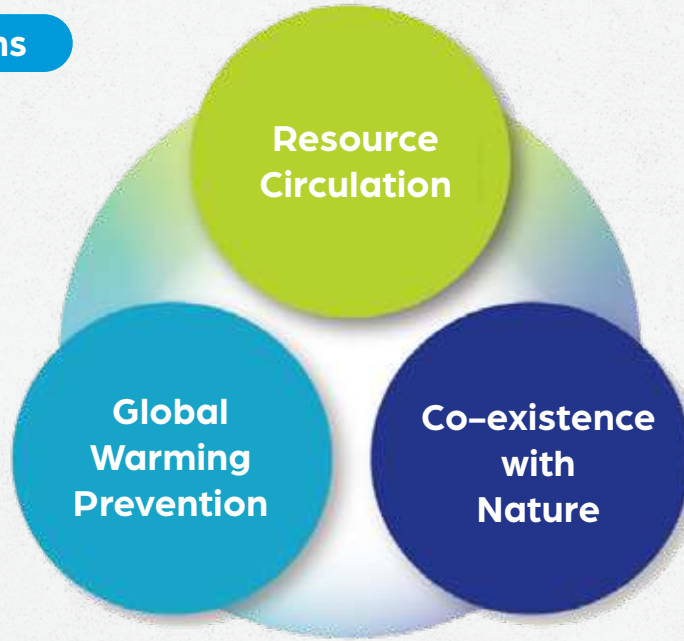
Additionally, with the formulation of the priority actions, Toyota Boshoku has expanded the scope of its activities and revised its Stretch Environmental Goals to Challenge 6. As a member of the group, at TBSTR we make every effort to address environmental issues through our business activities and contribute to the realization of a sustainable global environment.





We will work together with all stakeholders with the aim of creating a sustainable global environment where children can lead their lives with a smile.

### Priority Actions



### Environmental Management

#### Challenge 6

##### Global Warming Prevention

1

GHG Net-zero in  
the product  
life cycle



2

GHG Net-zero in  
the plant



##### Resource Circulation

3

Sustainable  
resource circulation



4

Waste  
minimization



##### Co-existence with Nature

5

Water resource  
impact  
minimization



6

Conservation and  
regeneration of  
natural capital







**TB Sewtech Turkey is actively working towards Toyota Boshoku's 2050 Environmental Vision of achieving carbon neutrality. Since 2020, we have been implementing systematic energy management based on the ISO 50001 standard.**

Electricity and natural gas are the primary energy sources used in TB Sewtech Turkey. Energy consumption trends in our company are closely monitored, especially on a production equipment basis. Efforts are made to identify energy losses, particularly in critical energy consumption points, and actions are taken to reduce consumption. In this context, improvements in the fabric cutting machines in our facility resulted in a 17% decrease in cutting line energy consumption in 2022. Additionally, 21 sewing machines were replaced with high-energy-efficient ones, reducing consumption from 0.90 kWh to 0.66 kWh. In 2023, we plan to focus actively on potential improvement areas by implementing a real-time monitoring system.

To track the impact of factors such as changes in production volume, we monitor the "per unit product consumption" indicator.

To achieve our goals of reducing greenhouse gas emissions, TBSTR procures 100% of its electricity from 100%

renewable green energy sources, documented with the internationally recognized I-REC certificate.

On the other hand, together with our business partners, we are implementing initiatives to reduce carbon emissions through improvements in logistics routes, frequencies, and optimizing loading efficiency of transportation vehicles. As part of this, improvements in logistic frequency for materials supplies from Bursa have resulted in an annual reduction of 16,2 tons of CO<sub>2</sub> emissions. Additionally, route optimizations for materials sourced from the European region have led to a yearly decrease of 9.5 tons in CO<sub>2</sub> emissions.

As a strategic step towards true carbon neutrality, we, in collaboration with our parent company Toyota Boshoku Turkey, have decided to construct a 30-acre solar farm in Mersin Erdemli. This facility, with a total investment of 12 million euros, will have a capacity of 10 MWp. Upon its commissioning in 2024, TB Sewtech Turkey will fulfill all its electricity needs from this solar power plant.



With the  
activation of the  
solar power plant  
in Mersin  
Erdemli, we will  
become completely  
carbon neutral  
as of June  
2024.







We do not require water in our production processes as TBSTR. We use tap water provided by the Düzce Çilimli Municipality for domestic purposes, in lavatories and company cafeteria. We do not use any surface water, groundwater or well water.

There is no direct discharge in our facility, and we collect our domestic wastewater in a septic tank located nearby. The accumulated water here is regularly disposed of by the municipality at regular intervals. Regarding our wastewater, which is measured by the municipality once a year, there has been no exceedance of limit values so far.

We monitor the water consumption

amount through the meter installed by Çilimli Municipality. Since 2018, we have been monitoring water consumption as a key environmental performance indicator alongside CO<sub>2</sub> emissions and wastes. This target is set annually by Global Toyota Boshoku. The 2022 target is to reduce the water consumption by 1.12%. In this regard, we are developing various projects and implementations to reduce water consumption.

**Water  
Consumption  
Reduction Rate:  
1,12%**





## In line with one of the six key goals determined by Global Toyota Boshoku's vision, we actively carry out Waste Management.

With the goal of 'Minimize Waste in Our Operations,' we focus on reducing waste by forming teams to address and minimize waste generated from production. To track our waste reduction performance independent of changes in production volume, we monitor indicator of 'waste per product.' Waste reduction targets allocated to all sections in the shop floor are followed by the respective departments, ensuring quality control.

As part of this initiative, through layout improvements in fabric cutting pallets in 2022, we achieved a reduction of 92 tons compared to the previous year.

We also collaborate with our business partners on efforts to reduce logistics-related waste, such as packaging waste. Transitioning from paper to plastic in fabric material rolls, we achieved a waste reduction of 15 tons annually through reuse.

**2022  
Waste  
Reduction  
Rate:  
0,89%**

Additionally, waste generated from offices, cafeterias, storage areas, and clinics within our company, including household, hazardous, medical, and similar wastes, is sorted and collected at the source. These wastes are disposed of in accordance with waste management principles specified in laws and regulations, ensuring no harm to human and environmental health.

Efforts are currently underway on recovery methods for waste fabrics that already provide energy recovery.







## We are aware of our responsibility towards biodiversity

Our premises in which we operate, are not located within or adjacent to protected areas or significant biodiversity zones. This shows that TB Sewtech Turkey has no negative impact on biodiversity.

Global Toyota Boshoku has committed to planting 1,32 million trees by 2050 as part of its Environmental Vision. Contributing to the conservation and restoration of habitats for endemic species, this initiative supports rich biodiversity. As a group company, we are actively participating in this endeavor.

This year, as one of our regular initiatives, we planted 1200 trees in Düzce Muşababa Village. Through such activities, involving both upper management and employees, we aim not only to protect the environment but also to raise awareness among our staff.

With these efforts, we will continue to preserve the green fabric of our planet and support biodiversity.





## Employee Engagement for a Greener Tomorrow



At our company, we prioritize environmental and energy consciousness among our employees through organized training and awareness activities. These sessions, in addition to mandatory legal training, focus on environmental and energy management systems.

As part of the Toyota Boshoku Group, we've established dedicated months such as "Energy Saving Awareness Month" (February) and "Environmental Awareness Month" (June) to actively increase awareness. Throughout these months, special activities are organized to promote environmental consciousness.

We actively engage in tree planting activities in collaboration with the Forest Regional Directorate. Additionally, our employees have embraced the globally spreading 'Plogging' activity, contributing to both their health and the cleanliness of the environment by picking up litter. In 2022, we organized a successful event in Gölyaka, Düzce.

Since 2017, our commitment to sustainability includes the production of environmentally friendly products (e.g., teddy bears, pencil cases) crafted from waste leather and fabrics. Regarding 'TBear' project, named after the first two letters of our company group, employees enhance their sewing skills while emphasizing the importance of waste reduction. These products are donated to local charities, schools, and children aged 3 and above.



As a unique expression of our dedication to the environment, we also adopt stray animals, providing care for them within our facility.



We actively engage in tree planting activities in collaboration with the Forest Regional Directorate. Additionally, our employees have embraced the globally spreading 'Plogging' activity, contributing to both their health and the cleanliness of the environment by picking up litter. In 2022, we organized a successful event in Gölyaka, Düzce.



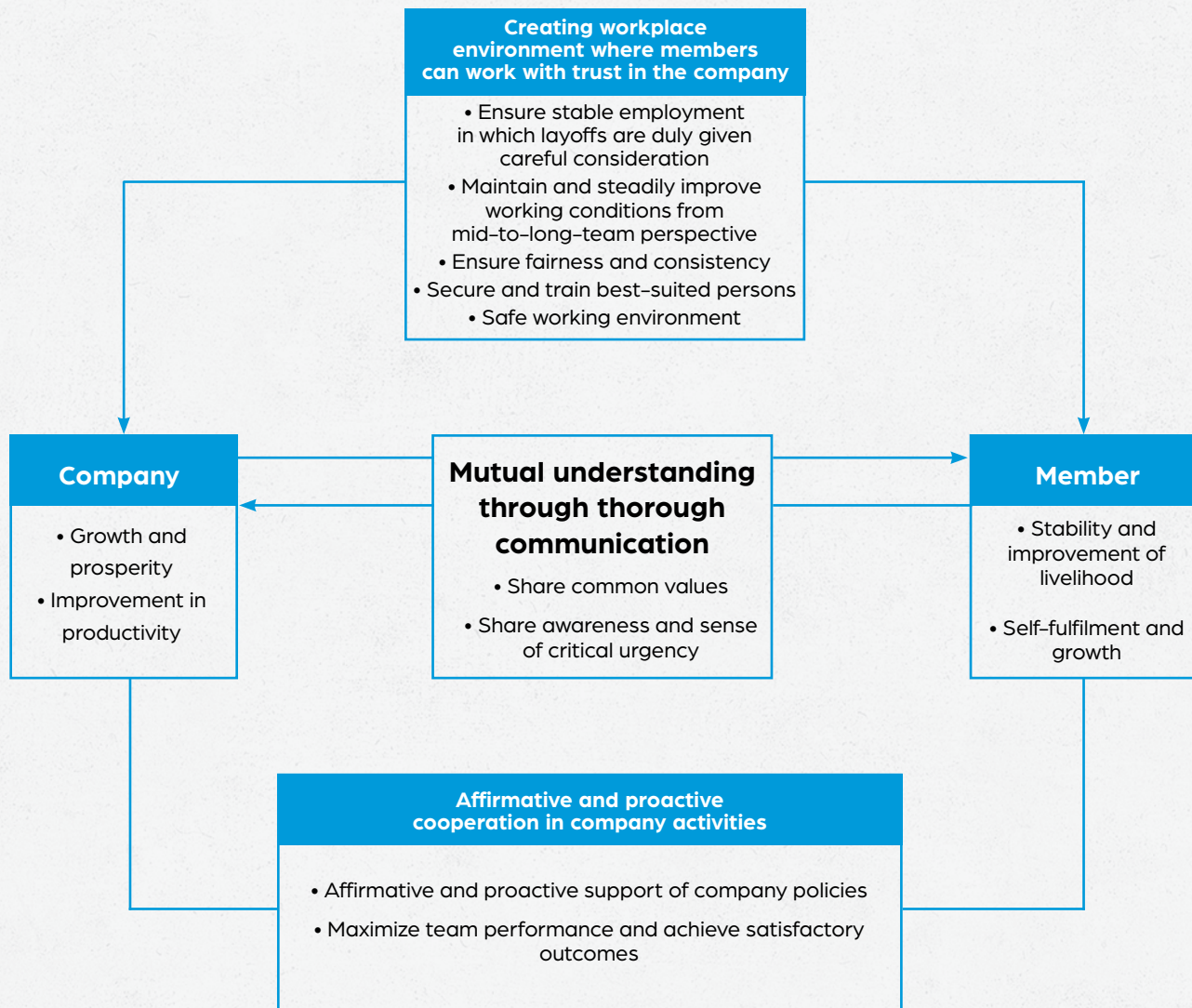




### Basic Approach

Based on a sound mutual where labor and management collaborate to fulfill their respective duties, we aim to ensure stable employment and to continuously enhance working conditions over the medium to long term.

**Establish a relationship of mutual trust and respect between employees and the company.**





We prioritize diversity to encompass all races, ages, genders, and physical abilities.

As part of our ongoing commitment to creating a 'Welcoming Workplace for All,' we are actively enhancing the representation of female employees, both in our offices and on the shop floor. In our recruitment processes, we implement affirmative action for women in field positions, consistently working towards ensuring that more than half of our workforce is comprised of women.



Female  
Foreman Ratio:  
**54%**



#### Trend in the Number of Female Employees

2020	2021	2022
47%	49%	51%

In 2022, the award for 'Best Workplace for Women,' given by the 'Great Place To Work' organization, further attested to TBSTR's excellence in this regard.

Yet as TBSTR, in order to demonstrate a systematic approach to overcoming challenges faced by women in social life, we became a signatory of the UN WEPs (United Nations Women's Empowerment Principles) in September 2022.

## EMPLOYMENT OF PEOPLE WITH DISABILITIES

We are dedicated to cultivating an inclusive workplace that accommodates individuals with a range of disabilities, encompassing physical, hearing, and mental impairments, with a focus on ensuring their comfort and productivity.

### Creating people-friendly processes and environments

We are actively developing processes, systems, and environments that prioritize the well-being of our employees. Additionally, we provide training to managers and supervisors to ensure that employees with disabilities, women, and older staff can work comfortably and perform at their best.



#### Employment Rate of People with Disabilities

2020	2021	2022
3,0%	2,9%	3,0%





## Employee Rights

### Basic Approach

At TB Sewtech Turkey, we approach our employees with honesty and fairness, commit to a non-discriminatory work environment, and ensure that employees fully and accurately exercise their labor rights. Our employees are not members of any union. In year 2022, there has been no violation of the right to organize and collective bargaining.

We strongly oppose child labor and all forms of forced labor, and we ensure that all our subcontractors also adhere to this principle.

### Pay Equality

Our salary system is built upon a seniority and position-based model, guaranteeing the absence of wage inequalities arising from gender or physical disabilities within our compensation structure.

### Health

We provide private health insurance for all our permanent employees to facilitate their access to healthcare services. Additionally, we offer dietitian and psychological counseling services to preserve the physical and mental well-being of our employees.

We handle maternity leave rights with care. During the 2022 reporting period, 25 women utilized parental leave. 24 female employees have returned to work after their parental leave. Additionally, we have 54 employees benefiting from the childcare service.



Through our "Flexible Benefits Package" program, we provide our employees with solutions they can customize according to their preferences. Thanks to the digital application, our employees can access usage options and their balances and from their mobile phones and track the usage process in real-time.

## Employee Development

### Employee Development Program, LEAP

LEAP is an educational package developed in line with our strategies. For every employee at each grade, a structured curriculum has been established, which includes cultural (TBWAY Values, TBBP Problem-Solving Approach, Hoshin Kanri, OJD) and social skill (communication, leadership, feedback) training to meet the needs of that grade. Our employees continue their career journey by completing these trainings during their term in the respective grade.



Training  
Hour per  
Employee in 2022:

**6,3**

Total Training  
Expense Amount  
in 2022:

**25,840 €**



## Skill Competition and Quality Control Circles

### Skill Competitions

To further enhance our employees' technical skills, we organize skill competitions in specific areas such as seat cover sewing and sewing machine maintenance. These competitions enable our employees to improve themselves and each other.

The winning employees initially participate in competitions where the top performers from Toyota

Boshoku companies within the Europe-Africa Region compete. In the final stage, we provide them with the opportunity to participate in the global olympiad held in Toyota Boshoku Japan. This not only allows our employees to push their own potential to the limit but also gives them the chance to compete with the best in their field.



The Number of Employees Who Participated in the Europe-Africa Region Skill Competition:

**14**

The Number of Employees Who Participated in the Global Skill Competition:

**8**

### Quality Control Circles

We have been conducting the activities of Japan originated Quality Circles, small teams established with the aim of analyzing and solving work-related problems such as quality and productivity, since 2018. Through this activity, which we consider an essential part of total quality management, we strengthen the team spirit while enhancing our employees' problem-solving methodologies and competence in using quality tools.

Successful teams, besides the conventions held in Türkiye also have the opportunity to participate in events held

in Europe & Africa and Japan, presenting their work and developing their vision, problem-solving, and presentation skills. On one hand, our employees are pushing the boundaries of their own potential, and on the other hand, they have the opportunity to compete with the best in their field and meet people from different cultures.



Number of Registered Quality Control Circles in Company

**80**

Participation Ratio to Quality Control Circles:

**90%**





## Employee Satisfaction

### Happy Employees, Happy Company

To ensure the happiness and well-being of our employees, we establish a transparent communication-based environment of mutual trust.



### 1 Alignment (Employee Involvement)

Our employees have a say in the purpose, vision, and strategy development processes and regularly receive information about the company's current status. It is our fundamental principle that every employee understands the purpose of their work to foster a culture of ownership.

#### Strategy Meetings and Hoshin Catchball

Our employees play an active role in annual strategy workshops, ensuring systematic participation in the company's goals and direction for the next fiscal year.



### 2 Systematic Employee Relations

To collect the opinions, complaints, and suggestions of our employees, we regularly hold meetings on a monthly basis where we gather with employees at all grades. We conduct our communication according to agile principles. In addition to these meetings, we provide our employees with transparent communication tools to increase direct interaction with them. These tools include communication boxes, online requests and face-to-face one-on-one meetings to make them feel comfortable and enhance our communication.

Clearance  
Rate:  
**95%**



### TB App

With our phone application developed to enhance mutual information exchange, especially for our employees working in shift systems, we provide a platform where employees can access up-to-date information at any time. Our employees can easily access a wide range of information, from cafeteria menus to payroll systems, and can provide feedback on this information using like buttons. The application aims for two-way communication and provides employees with the opportunity to directly convey the risks, requests, or expectations they encounter to relevant functions such as "Human Resources" and "Occupational Health and Safety".



### 3 Employee Motivation and Well-Being

To ensure the motivation and well-being of our employees and strengthen internal communication, we plan various activities and sponsor club activities initiated by our employees. Within these activities, we create annual travel plans, allowing our employees and their families to visit many tourist destinations from Southeast to the Black Sea and experience various sports activities from yoga to rafting. We also organize warm and cold beverage days and tournaments within the working hours, creating environments where our employees feel active and comfortable.



We conduct an Employee Moral Survey every year with the aim of better understanding our employees' expectations, evaluating how our actions are perceived by them, and thus strengthening and deepening our relationships with our employees.

#### Employee Satisfaction Survey Results:



### Best Employers Award

On the other hand, for the past three years, we have been working with 'Great Place To Work' to understand our position on a national scale in aspects such as organizational culture, workplace environment, compensation and benefits, rights, work-life balance, recognition, and rewards. In the evaluations conducted, TBSTR, awarded the 'Best Employers' award in 2022, has proved the trust relationship established with its employees.







Committed to social responsibility, we are proud to be recognized as an exemplary company in Social Responsibility & Voluntarism™ 2022, emphasizing our dedication to meaningful contributions.

Great  
Place  
To  
Work.



## Support for the Earthquake Zone

Our team, consisting of 16 volunteers, supported search and rescue efforts in Hatay during the earthquake on February 6th, successfully rescuing 13 people. In addition to participating in search and rescue operations, we provided 350,000 euros in aid to the earthquake-affected area. As a part of this effort, a total of 40 prefab houses were delivered to new owners in Hatay, coordinated with Toyota Otomotiv Sanayi Türkiye and Toyota Boshoku Türkiye.



## Blood Donation

In the aftermath of the earthquake disaster, we supported the increased need for blood by organizing a blood donation drive with the participation of 50 employees.



TB Sewtech Turkey has been honored with the Gold Award in the "Toyota Boshoku Brand Contribution Value" category within the global network of Toyota Boshoku, for its corporate responsibility initiatives, some examples of which were shared above.







## Support for Women's Employment

We were honored with the 'Company with Highest Increase in Female Employment' award at Turkey's Entrepreneurial Women Power Competition, held in collaboration with TOBB, TOBB Women Entrepreneurs Council, and the Türkiye Economic Policies Research Foundation.

On the other hand, we joined the 'Women's Hand in Industry' project aiming to increase women's participation in the economy.



## Support for Education

To support education, we donated a total of 47 sewing machines to Bolu TOBB Zübeyde Hanım Vocational and Technical Anatolian High School.







### Our Comprehensive Approach on Health and Safety:

We operate with the aim of maintaining the health and safety of our employees and workplace within our occupational health and safety (OHS) approach. At TBSTR, we implement our OHS approach in line with fundamental objectives such as the 'Safety First' principle, the 'Zero Accident' goal, and OHS Policy. We evaluate and categorize all risks and make appropriate improvements in all our processes. HSE & Fire department, OHS specialists, workplace physicians play a guiding role in these activities, ensuring the participation of all employees in related activities. We address our occupational health and safety approach through employee awareness training and continuously improve it through lessons learned from accidents and near-miss incidents.



### Occupational Health and Safety Committee

The Occupational Health and Safety Committee convenes monthly to address work accidents, occupational health and safety risks, laws and regulations, emergency measures, occupational diseases, internal and external audit findings, employee training and awareness programs, as well as action plans and outcomes related to the aforementioned. The meeting, attended by top management, safety experts, workplace physicians, and relevant department managers, also includes employee representatives who directly convey observations and recommendations from the workshop. In addition to legal employee representatives, voluntary employees representing departments also attend and contribute to the meetings.



### Training

We conduct annual training sessions covering topics such as work-related regulations, employees' legal rights and responsibilities regarding occupational health and safety, various work related incident and risk examples, as well as our internal safety standards. At our Anzen Dojo (workplace safety training area), we aim to increase awareness among new and existing employees through theoretical and practical safety training.



### Health

Throughout our 6-day, 2-shift work pattern, our employees have access to health services at the workplace infirmary. Ergonomic risk assessments and noise prevention studies are systematically conducted for occupational health purposes. Furthermore, we provide dietitian and psychological counseling services to ensure the well-being and physical and psychological health of our employees.



### Risk Assessment

In addition to daily patrols at workshop, we conduct safety patrols involving top management to identify potential problem areas and implement preventive measures. Additionally, company-wide 'hazard prediction (kiken yochi)' activities are conducted, where every factory employee identifies occupational safety risks specific to their work area.

We encourage our employees to notice any abnormalities in machinery and work areas and to apply the 'Stop, Call, and Wait' rule when any abnormality is detected. Utilizing Toyota Boshoku's global information network, we analyze processes based on various work incident and near-miss incident data, implementing necessary precautions. We also engage third party external auditors to pinpoint both general and specific risks.

Personal health information of employees is treated with confidentiality at TB Sewtech Turkey.

Furthermore, with the aim of raising awareness among our employees, we designate July and October as 'Occupational Safety Month' and 'Occupational Health Month,' respectively. During these months, we organize various seminars and informational sessions.

As a ISO 45001 certified company, our ultimate goal in all these approaches and practices is to transform the perception of occupational safety and health from mere compliance with rules, into a cultural change where employees genuinely prioritize safety both for themselves and others.



## We build enduring relationships

Recognizing the dynamic nature of today's competitive market, where customers have more choices than ever before, we are committed to placing our customers at the heart of everything we do. We strive not only to meet but to exceed their expectations, creating a deep and lasting connection with them.

We involve our customers in the definition, deployment, and communication of our strategy, ensuring their perspectives shape our approach. As a tier-2 supplier, TBSTR delivers trim covers to car seat manufacturers, with Toyota and BMW plants as our end customers. This unique position in the supply chain underscores our dedication to aligning our strategies closely with the specific needs and expectations of these major players in auto industry.

We cultivate sustainable relationships by nurturing connections with our customers throughout the entire value creation process,

from the initial stages of project preparation onward. Periodically, we engage in on-site visits to gather firsthand feedback from customers, allowing us to respond promptly to their experiences with us. This proactive approach ensures that our commitment to exceeding customer expectations is reflected in every interaction.

Annually, we measure customer perceptions to gain insights into various aspects of their interactions with TBSTR, including:

- Overall customer experience
- Attitude and level of commitment
- Products and services
- Delivery performance
- Effectiveness of the communication channels

This structured evaluation process enables us to continuously refine our strategies and offerings, aligning them with the evolving needs and expectations of our customers.

### CUSTOMER AND OEM CONNECTIONS

Customer	Final OEM
Toyota Boshoku Somain	Toyota Motor Manufacturing France
Toyota Boshoku Türkiye	Toyota Motor Manufacturing Turkey
Toyota Boshoku Poland	BMW Plant Leipzig







## Building Long-term Trust: Our Shared Journey for Happiness

We aim to ensure happiness of our stakeholders and aspire to build long-term trust relationships. We share all our experiences with those with whom we go on this journey, hand in hand, and at the same time benefit from their competencies.

### For Happier Society:

We play our role as a 'corporate citizen' with strategies aligned with Sustainable Development Goals.

Happiness is our harmonious growth with society.

### For Happier Customers

With our quality-oriented perspective and highly efficient production systems, we maintain just-in-time production.

Happiness is the satisfaction of our customers.

### For Happier Business Partners:

We continue to be a mutually beneficial business partner with our suppliers, creating value, fostering their development, and instilling trust.

Happiness is being a long-term partner with our suppliers.

### For Happier Employees

"We provide our employees with a healthy, safe, and comfortable workplace environment, growing and developing with their strength.

Happiness is the mutual trust relationship with our employees.

### For Happier Shareholders:

With our innovative approaches and corporate competency, we meet the expectations of our stakeholders, striving to be an example within all Toyota Boshoku operations.

Happiness is the sense of trust we present to our stakeholders.



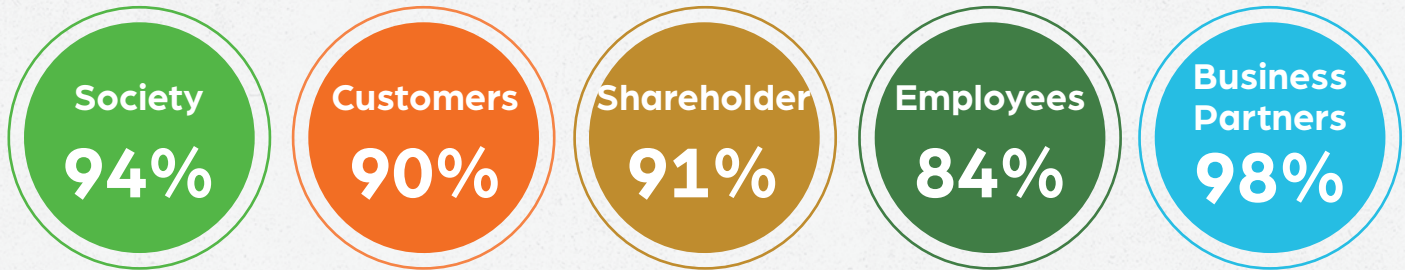
## STAKEHOLDER LIST

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

## Stakeholder Perception

We collect feedback from our stakeholders in a regular manner to measure our success in meeting their needs and demands. This not only keeps us informed but also serves as a foundation for shaping our company strategy.

## 2022 Stakeholder Perception Results



The visit of Mr. Adachi, President of Toyota Boshoku Europe, from our Governance Stakeholders to TBSTR.



## RELATIONS WITH OUR STAKEHOLDERS



Having identified the needs and expectations of our stakeholders, we establish and maintain a relationship built on transparency and trust. We utilize communication channels that make it easy for our stakeholders to give feedback on their experiences with us. Detailed guidelines on how to communicate with each stakeholder are specified in the following matrix.

## STAKEHOLDER COMMUNICATION MATRIX

Stakeholder	Related Party	Needs	Expectations	Subject of Follow /Communication	Frequency	Communication Method	
Society	Local Settlements and Resi- dents	▶Refrain from potential negative effects on the company's business.	• Ensure that waste does not have a negative impact on the environment • Reducing emissions to occur in a way that does not affect the environment	Tracking of environmental parameters	Specified Intervals	e-mail, meeting	
				Tracking of environmental parameters	Specified Intervals	e-mail, meeting	
	Laws and Regulations	▶Comply with relevant laws and regulations	• Keep up with current practices and regulations	Ministry of Environment laws	When updated	e-mail	
				Ministry of Environment laws	When updated	Hard copy and electronic data	
Customers	TBT TBPL TBSO	▶Perform product delivery with %100 quality and delivery performance depending on special customer requests	• Compliance with legal requirements • Reply special customer requests () • %100 Delivery performance •%100 Quality performance • Analyzing and resolving quality problems after shipment • Reply change requests	Special reports	In case of a request	e-mail	
				Customer requirements	When updated	e-mail	
				Shipment performance KPI reports	Monthly	e-mail, portal	
				Quality performance KPI reports	Weekly	e-mail, portal	
				Service parts tracking	"Order follow / Daily Defect info /In case"	e-mail, portal, system	
				Engineering Change Instruction follow up, implementation	Daily	Portal follow up	
Shareholders	TBT	▶Ensure customer satisfaction by adhering to established rules	• Compliance with legal requirements • Reply special customer requests () • Align with TBEU policy and procedures • Follow corporate philosophy (TB WAY) • Implement Engineering Change Instructions • Compliance with legal requirements • Align with TBEU policy and procedures • Align with strategic plans • Align with company policy (company targets)"	Special reports	In case of a request	e-mail / meeting	
				Engineering Change Instruction follow up, implementation	Daily	Portal follow up	
				TBSTR Company Policy	Annually	Hoshin Meeting	
				Company Hoshin documents	1 / 3 months	Hoshin Meeting	
				Special reports	In case of a request	electronic data / meeting	
		▶ Profitability		• Increase in profit and efficiency figures • Increase in profit and efficiency figures • Increase in market value	Tracking of financial figures	Monthly	e-mail, meeting
					Tracking of efficiency figures	Daily	Andon, meeting
					Tracking of financial figures	Monthly	e-mail, meeting
Employees	Top Management	▶Ensure customer and employee satisfaction ▶Acquire new customers ▶Business continuity	• Compliance with legal requirements • Reply special customer requests () • Increase in cash flow • Profit figures • Operational efficiency • Efficiency • Monitoring process performance	Management review inputs	Monthly	meeting presentation slides and minutes	
				Special Customer Requests ()	When updated	e-mail	
				Tracking of legal processes / reports	When updated	e-mail and portal	
				Budget preparation and management	Annually	Hard copy and electronic data	
				KPI	Monthly	meeting presentation slides and minutes	
	All Employees	▶Build a homelike, continuously evolving and innovative workplace environment ▶Build corporate culture ▶Global company	• Healthy and safe working environment • Training • Promotions • Recognition • Rewarding • Employment continuity • Timely payment • Observe legal rights	Compliance with legal requirements	When updated	"TBSTR web site, company boards, electronic environment"	
				Quality policy	When updated	Hard copy and electronic data	
				Inhouse journal	1 / 3 months	Hard copy and electronic data	
				Performance evaluation results	1 / 6 months	Hard copy	
				Employee satisfaction survey	1 / 2 years	Hard copy	
Business Partners	Suppliers (Production Materials, Consumables, Services)"	▶The timely, updated, and accurate communication of necessary information	• Information provision for legal requirements • Information provision for Technical specifications • Information provision for changes • Information provision for Quality requirements • Information provision for Planning and logistics requirements • Information provision for Supplier performance	Legal regulations	When updated	e-mail	
				Purchasing agreements	In case of a request	Hard copy	
				Technical Drawings and Engineering Change Instructions	At ECI / Tech Drawing releases	e-mail,	
				Planning notification	At each release by Customer	e-mail, Portal follow up	
				Supplier performance evaluation reports	Monthly	e-mail	
	Sorting and Quality Control Contractors	▶Providing accurate and timely updated information related to assigned job	• Information provision for TBT Group expectations • Information provision for product quality expectations	Permits and licenses	When expires	By subcontractor	
				TBSTR special expectations	When updated	Hard copy/electronic data	
Certification Company	▶Certification for IATF 16949:2016 quality management standard	• Timely and accurate provision of information and documents	Required information and KPI s	Annually	meeting, e-mail		





## Member Collaborations: TAYSAD, KalDer

TB Sewtech Turkey (TBSTR)'s corporate philosophy, which is based on mutual development with business partners, places great importance on collaborations. Having improved itself with various quality and management systems, TBSTR decided to join the "National Quality Movement" in 2021, becoming a part of the journey towards excellence. Through this movement, which is based on the EFQM (European Foundation for Quality Management) model and includes numerous leading companies in the business world, TBSTR not only deepened its stakeholder-centric approach in the EFQM model and strengthened its processes but also had the opportunity to compare itself with outstanding companies in specific areas, through KalDer (Turkish Quality Association), the partner of EFQM in Turkey. In collaboration with KalDer, TBSTR aims to target the EFQM Turkey Excellence Award on this journey.

To enhance its knowledge and industry

connections, TBSTR has become a member of TAYSAD (Association of Automotive Parts & Components Manufacturers). By participating in various conferences, seminars, and data banks provided by TAYSAD, TBSTR not only stays informed but also engages in a wide range of working groups organized by the association, covering topics such as Lean production, logistics, and human resources practices, thus providing opportunities for self-improvement. Hakan Konak, a member of TBSTR's Management Committee, also serves as a Board Member of TAYSAD.

Having collaborated on various employment projects with the Düzce Chamber of Commerce and Industry, TBSTR joined the "Women's Hand in Industry" project in 2022, led by TOBB (Union of Chambers and Commodity Exchanges of Turkey) Women Entrepreneurs Council and conducted in partnership with İŞKUR (Turkish Employment Agency) and Düzce Provincial Directorate of National Education.



TÜRKİYE KALİTE DERNEĞİ





## Compliance

In our pursuit of sound corporate governance and transparent relationships with stakeholders, we place significant emphasis on business ethics and compliance. Our devotion to being a responsible corporate entity and ensuring full compliance is evident through our wholehearted embrace of the ethical values outlined in the 'TB Group Code of Conduct.' This code is defined as the set of behavioral rules expected to be followed by our employees in both their professional and social spheres. The Code

of Conduct comprises three primary sections: business activities, employee-company relationships, and interactions with society. For your reference, you can find our Code of Conduct on our website."

At TB Sewtech Turkey, equality is the very foundation of our corporate culture. The 'Equality Doctrine,' which declares the commitment that no discrimination will take place in any process within the company, is positioned at the entrance of our premises.

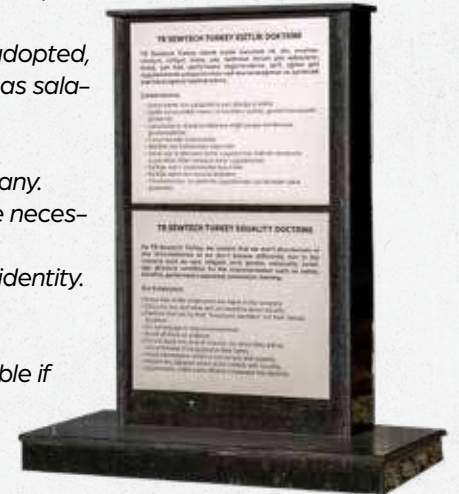
## TB Sewtech Turkey Equality Doctrine

*As TB Sewtech Turkey, we commit to not acting differently or discriminating based on factors such as race, religion, gender, nationality, belief, age, physical condition, or disease.*

*Furthermore, under the framework of the "equality" principle we have adopted, we pledge not to discriminate among our employees in practices such as salary, fringe benefits, performance evaluation, promotion, and training.*

*Our employees:*

- Acknowledge that all employees are treated equally within the company.
- Adhere to the laws and rules regarding equality and demonstrate the necessary sensitivity.
- Perform their work based on their employee identity, not their sexual identity.
- Refrain from engaging in sexual harassment.
- Avoid all forms of violence.
- Do not commit acts against anyone that they would find uncomfortable if committed against one of their own family members.
- Avoid expressions of inequality.
- Report any violation of equality.
- If they are managers, exert extra effort to implement this doctrine.



Since 2012, TBSTR has been organizing the "Corporate Ethics Month" every September to increase awareness. During the "Ethics Month," top-level executives from TBJ, TBEU, and TBSTR convey messages to employees regarding business ethics. Leaders make commitments during Asakai (The morning meeting confirming the current status of occupational safety, incidents, and performance indicators) meetings attended by all managers, and employees also engage in group discussions related to ethics. This month, we are conducting various ethics-related training and activities, including a compliance survey involving all employees. In case of any situation contrary to business ethics and compliance, our employees can directly

reach the "Ethics' Hotline," managed by TBEU.

On the other hand, we encourage all our stakeholders to use the independent reporting hotline to report violations of TBSTR's internal policies, processes, and relevant laws or to express their concerns. By accessing the 'Speak UP' system managed by an independent organization, reports can be submitted through our website.

In 2022, we did not receive any notifications or complaints related to human rights issues such as discrimination, harassment, child labor or forced or compulsory labor.





### Governance

TBSTR is a limited company with Toyota Boshoku Türkiye as its sole shareholder. The structure, consisting of Japanese and Turkish Top Executives, provides a versatile and sound platform for discussions. The coordination between the two companies is strong thanks to two out of the three members of the Top Management also serve on the Top Management of Toyota Boshoku Türkiye.

The General Shareholders Meeting is held once a year for decision-making and reporting. Reflecting the approach to compliance, at TBSTR, the joint signature of two individuals with relevant signing authority is mandatory for all decisions. Despite not being legally required, an 'Independent External Audit' service has been obtained since 2018 in accordance with Toyota Boshoku's global policy.

All financial processes and definitions are well-documented in TBSTR. These processes are structured in compliance with the Turkish Commercial Code (TCC), International Financial Reporting Standards (IFRS), and TBJ directives. Periodically, auditors in the status of 'Supervisory Board Member' from TBJ conduct audit for TBSTR's operations and basic functions. To ensure accurate reporting of financial results to investors, self-assessment is conducted in accordance with the J-SOX (Japanese Sarbanes Oxley) methodology, covering essential topics such as hoshin(policy) management, risk management, finance, information technology, and human resources. The results are then submitted to TBJ. Additionally, TBSTR is audited by TBEU and TBT executives at specific intervals, with on-site monitoring of activities.

### Risk Management

Risk management is a crucial element of the corporate governance structure aimed at mitigating risks that could adversely impact TBSTR and its stakeholders, and it is directly managed by TBSTR's top management. Effective risk management for TBSTR involves the early identification and prevention of risks and crises, informing employees in case of danger, and minimizing damage in unexpected scenarios.

The risks managed by TBSTR are identified as 'operational, regulatory, cybersecurity, information technologies, financial risks, risks related to the equipment fleet, and human resources.' Action plans have been developed for each of these identified risks. The two most prominent risks highlighted are earthquakes and fires.

Thanks to the conducted risk management efforts, production restarted smoothly eight hours after the earthquake that occurred on November 23.

Looking ahead, we plan to strengthen our collaboration with AFAD to enhance our capabilities and train professional search and rescue teams.

### Supplier Involvement

Every year, at the 'Annual Supplier Meeting' organized by Toyota Boshoku Europe, our regional hub, where suppliers of TBT and TBSTR participate, demands and expectations are communicated, information is shared, and our approach to sustainability is also conveyed. In the reporting period, 84 representatives from 53 of our suppliers attended the

meeting, where efforts and goals related to the carbon-neutral target in the 'Sustainability' section were presented. Currently we are working on participating in a platform to carry out an in-depth assessment of the suppliers, focusing on their ethical, social, and environmental practices including any negative impacts on the environment.







At TBSTR, we understand that Information assets are critical for our business activities and based on this understanding, we incorporate information security practices production processes and supportive processes. We protect against unauthorized access and maintain the accuracy, integrity, and security of the information and assure confidentiality of corporate and customer information/data.

We regularly establish, maintain, and update all the necessary infrastructure to ensure the highest level of information security. Our Information Technology investments are directed towards anticipating potential threats through regular maintenance and early detection. To ensure the effectiveness of these infrastructure and employee awareness initiatives, we conduct regular tests throughout the year. This includes regular phishing tests to assess our employees' knowledge and awareness levels, as well as vulnerability tests (penetration tests) to ensure the security of our systems. In cases where deficiencies are identified through these activities, we provide specialized training for relevant employees and implement necessary measures to address vul-

nerabilities detected in our systems.

Each TBSTR employee possesses a high sensitivity and awareness regarding the value and security of information. In order to keep this awareness up-to-date, regular training sessions and activities are conducted with the support of TBSTR senior management. Newly onboarded employees receive detailed information about our company's Information Security Management System (ISMS) during their orientation training.

Additionally, every year, the month of January is designated as Information Security Month. During this month, various practices, informative sessions, and activities are organized to enhance awareness among our employees about information security.

**Training Hours  
Provided on  
Information Security  
in the Year 2022:**

**90**

**The Success Rate  
of Those Who Have  
Completed the  
Training:**

**100 %**



TBSTR's Management reviews IS-MS(Information Security Management System) at least once a year to ensure its continuing suitability and effectiveness. In the meeting, feedback from related parties, results of ISMS audits, related threats and status of actions are reviewed.

Number of substantiated complaints received from customers or regulatory bodies concerning breaches of customer privacy and data breach in 2022 is zero.

To ensure the validity of all our efforts, we obtain security certificates from third parties, confirming the compliance of our actions with international standards. In this context, in 2021, we obtained the TISAX certification, which is considered an important Information Security certificate for the automotive industry. Moreover as one of our mid-term strategies, we plan to obtain ISO 27001 Information Security Management System certification by 2026.







## Quality: Our Main Priority

### Quality

We are committed to delivering absolute quality to enhance our customers' mobile time and space experiences.

The products that are manufactured by TBSTR are produced by related product safety standards. In compliance with the laws and regulations of the countries where our products are manufactured and sold, we aim to ensure maximum level of protection in case of a road accident and/ or give the minimum harm to consumer. Thus, we have implemented processes based on the safety and regulatory characteristics in production and quality control processes to prevent the production and/or shipment of defected products.

Since the acquirement of ISO/TS 16949 in 2014, our objective has been to enhance customer satisfaction through effective application of quality management system. Currently our systems and processes are established, implemented, maintained and continually improved in accordance with IATF 16949 standard.

At TBSTR, we adopt the "Following process is your customer" approach, aiming at ensuring that products not meeting our quality standards never reach the end user. Each TBSTR line per-

sonnel is authorized to stop the line in case of any abnormal situation. In this regard, we implement "(In an abnormal situation) Stop! Call! Wait!" meaning "Stop the line and work. Call your supervisor and wait for his/her instructions". This approach enables us to take root-cause based actions which aims to prevent a defect flow-out to customer. On the other hand, in alignment with Toyota Boshoku's worldwide guidelines, we are committed ourselves to reducing in-process defects.



Since the acquirement of ISO/TS 16949 in 2014, our objective has been to enhance customer satisfaction through effective application of quality management system. Currently our systems and processes are established, implemented, maintained and continually improved in accordance with IATF 16949 standard.





TBSTR, which also leads quality improvement efforts in the Cutting & Sewing area in the European and African network of Toyota Boshoku, achieved a 6 Sigma level with a **6 Sigma level with a 2,9 defect rate** per million in 2022, thanks to its analytical, process-focused, and proactive initiatives.

### Our Quality and Integrated Management Systems Certifications

Year	Management System
2014	ISO/TS 16949 Certificate
2014	ISO 14001 Environmental Management Certificate
2018	IATF 16949 Certificate
2020	ISO 50001 Environmental and Energy Management Certificate
2021	EFQM 4-Star Competency Certificate
2021	TISAX 3-Star Certificate
2022	ISO 45001 Certificate
2022	EFQM 5-Star Competency Certificate

### Management Systems

Regarding management systems, with the aim of contributing to the environmental pillar of sustainability and enhancing our environmental performance, we began implementing the ISO 14001 Environmental Management System in 2014. Additionally, to continually improve energy efficiency and consumption, we obtained ISO 5001 certification in 2020. As a recent step, towards creating a safer and healthier workplace, we achieved ISO 45001 certification to manage our occupational health and safety risks in 2022.



## 2022 ESG PERFORMANCE INDEX

## ECONOMIC PERFORMANCE

ESG Metrics	Unit	2022	2021	2020
<b>Economic Value Generated</b>				
Economic value generated (Revenues)	TL	1,133,086,453	541,774,067	270,756,995
<b>Economic Value Distributed</b>				
Operating costs	TL	613,898,345	308,812,003	151,874,134
Employee benefits	TL	296,972,350	133,615,417	70,510,092
Payments to Government	TL	56,964,749	32,013,998	13,021,576
Payments to providers of capital	TL	44,815,338	44,398,234	0
Community Investments	TL	463,027	14,737	210,007
Total	TL	1,013,113,808	518,854,390	235,615,809
<b>Financial Assistance Received From Government</b>				
Tax relief/credits	TL	2,848,237	3,018,028	975,921
Incentives	TL	17,338,571	10,841,263	3,974,046

EXPENSES	730	730 Variable	750	770	TOTAL
<b>2022</b>	35,549,734	28,426,622	-	38,295,904	102,272,260
<b>2021</b>	17,627,049	10,625,177	-	16,875,509	45,127,735
<b>2020</b>	13,771,299	4,088,932	-	8,896,600	26,756,832

DEPRECIATION	730	750	770	TOTAL
<b>2022</b>	7,018,985	-	2,412,991	9,431,976
<b>2021</b>	6,112,951	-	1,365,781	7,478,732
<b>2020</b>	4,122,504	-	1,150,865	5,273,368

DONATIONS	Unit	
<b>2022</b>	TL	226,713,80
<b>2021</b>	TL	14,737,44
<b>2020</b>	TL	192,766,10

DIVIDEND	Unit	
<b>2022</b>	TL	52,138,576,63
<b>2021</b>	TL	43,160,598,40
<b>2020</b>	TL	0

WAGE SUBSIDIES	Unit	
<b>2022</b>	TL	17,338,570,90
<b>2021</b>	TL	10,841,262,90
<b>2020</b>	TL	3,974,045,92



## 2022 ESG PERFORMANCE INDEX

## ECONOMIC PERFORMANCE

ESG Metrics	Unit	2022	2021	2020
<b>Local Procurement</b>				
Total procurement*1 amount	TL	405,621,752	224,643,450	19,335,061
Export amount	TL	184,040,652	35,651,611	143,505
Domestic procurement amount	TL	221,581,100	188,991,840	19,191,556
Number of Export Suppliers	Supplier	12	13	1
Number of Domestic Suppliers	Supplier	15	15	15

\*1 Part and material procurement related data.

	Number of Supplier Based	Rate	Procurement Amount Based	Rate
<b>2022</b>	Exports	44%	Exports	45%
	Domestic procurement	56%	Domestic procurement	55%
<b>2021</b>	Exports	46%	Exports	16%
	Domestic procurement	54%	Domestic procurement	84%
<b>2020</b>	Exports	6%	Exports	1%
	Domestic procurement	94%	Domestic procurement	99%



## SOCIAL

## WORKPLACE DEMOGRAPHY

ESG Metrics	Unit	2022	2021	2020
<b>Total Employees</b>				
Female	Person	503	524	362
	Rate	50%	97,0%	93,5%
Male	Person	502	540	387
	Rate	50,0%	50,8%	51,7%
<b>Work Category</b>				
Field Employee - Female	Person	493	514	352
Field Employee - Male	Person	466	514	363
Office Employee- Female	Person	11	10	10
Office Employee- Male	Person	35	26	24
<b>TOTAL</b>		1.005	1.064	749
<b>Employment Type</b>				
Indefinite Term of Employment - Female	Person	434	339	270
Indefinite Term of Employment - Male	Person	457	371	283
Definite Term of Employment - Female	Person	70	185	92
Definite Term of Employment - Male	Person	44	169	104
<b>TOTAL</b>		1.005	1.064	749
<b>Age Distribution</b>				
Between 18 - 30	Female	327	351	219
	Rate	33%	33%	29%
	Male	308	366	234
	Rate	31%	34%	31%
Between 31 - 40	Female	136	143	113
	Rate	14%	13%	15%
	Male	152	135	117
	Rate	15%	13%	16%
Between 41 - 50	Female	40	29	29
	Rate	4%	3%	4%
	Male	33	32	31
	Rate	3%	3%	4%
51 and above	Female	1	1	1
	Rate	0%	0%	0%
	Male	8	7	5
	Rate	1%	1%	1%



## SOCIAL

## WORKPLACE DEMOGRAPHY

ESG Metrics	Unit	2022	2021	2020
<b>Other Groups</b>				
Foreign	Female	0	0	0
	Rate	0%	0%	0%
	Male	0	0	0
	Rate	0%	0%	0%
People with Disability	Female	6	6	4
	Rate	20%	20%	18%
	Male	24	24	18
	Rate	80%	80%	82%
<b>Employee Category</b>				
Top Management (General Manager and above)	Female	0	0	0
	Rate	0%	0%	0%
	Male	1	1	1
	Rate	0,10%	0,09%	0,13%
Mid-Level (Manager, Assistant Manager)	Female	2	2	2
	Rate	0,20%	0,19%	0,27%
	Male	11	7	7
	Rate	1,09%	0,66%	0,93%
Other	Female	502	522	360
	Rate	50%	49,1%	48,1%
	Male	489	532	379
	Rate	48,7%	50,0%	50,6%
<b>TOTAL</b>		1,005	1,064	749

## Gender &amp; Age Distribution for Top Management

Age-wise	Female	Male
Under 30	0	0
Between 30-50	0	0
Over 50	0	1
<b>Number of Top Management People</b>	0	1



## SOCIAL

## ESG Metrics

Education Level			
	Female	Male	Total
Elementary School	31	19	50
Secondary School	73	57	130
High School	307	301	608
Vocational High School	80	87	167
University	11	35	46
Master's Degree	1	3	4
Doctorate	0	0	0
Intern	5	14	19
Subcontractor	5	18	23
<b>Total Employees</b>	<b>513</b>	<b>534</b>	<b>1,047</b>

## EMPLOYMENT AND TURNOVER

ESG Metrics	Unit	2022	2021	2020
<b>According to Gender</b>				
New Hires (Male)	Person	315	329	143
	Rate	33%	43%	39%
Turnover (Male)	Person	175	69	57
	Rate	18%	9%	15%
New Hires (Female)	Person	316	313	121
	Rate	33%	41%	33%
Turnover (Female)	Person	150	48	47
	Rate	16%	6%	13%
<b>Age Distribution</b>				
New Hires (Between 18 – 30)	Person	559	576	240
	Rate	58%	76%	65%
Turnover (Between 18 – 30)	Person	253	89	81
	Rate	26%	12%	22%
New Hires (Between 31 – 40)	Person	72	64	22
	Rate	8%	8%	6%
Turnover (Between 31 – 40)	Person	65	24	21
	Rate	7%	3%	6%
New Hires (Between 41 – 50)	Person	0	0	1
	Rate	0%	0%	0%
Turnover (Between 41 – 50)	Person	6	3	1
	Rate	0,6%	0,4%	0,3%
New Hires (Between 51 – 60)	Person	0	1	1
	Rate	0,0%	0,1%	0,3%
Turnover (Between 51 – 60)	Person	1	0	1
	Rate	0,1%	0,0%	0,3%
New Hires (Over 60)	Person	0	1	0
	Rate	0,0%	0,1%	0,0%
Turnover (Over 60)	Person	1	1	0
	Rate	0,1%	0,1%	0,0%



## BENEFITS

ESG Metrics		Unit	2022	2021	2020
<b>Parental Leave</b>					
TOTAL	Employees Entitled to Parental Leave	Person	68	74	61
	Employees Who Took Parental Leave	Person	68	74	61
	Employees Who Returned to Work After Parental Leave	Person	68	70	54
	Employees Who Were Still Employed 12 months After Taking Parental Leave	Person	67	70	52
		Rate	99%	95%	85%
FEMALE	Employees Entitled to Parental Leave	Person	25,0	27,0	31,0
	Employees Who Took Parental Leave	Person	25	27	31
	Employees Who Returned to Work After Parental Leave	Person	25	25	24
	Employees Who Were Still Employed 12 months After Taking Parental Leave"	Person	24	25	24
		Rate	96%	93%	77%
MALE	Employees Entitled to Parental Leave	Person	43	47	30
	Employees Who Took Parental Leave	Person	43	47	30
	Employees Who Returned to Work After Parental Leave	Person	43	45	30
	Employees Who Were Still Employed 12 months After Taking Parental Leave	Person	43	45	28
		Rate	100%	96%	93%

## ADDITIONAL BENEFITS

ESG Metrics	Unit	2022	2021	2020
<b>Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees</b>				
Life insurance	Person	0	0	0
Health care	Person	700	692	60
Disability and invalidity coverage	Person	0	0	0
Parental Leave	Person	68	74	61
Retirement Provision	Person	7	7	6
Stock Ownership	Person	0	0	0



## EMPLOYEE TRAINING AND DEVELOPMENT

ESG Metrics	Unit	2022	2021	2020
<b>Training hours per employee</b>				
Training hours per employee	Hour	6,3	12,6	17,8
<b>Training hours per employee (by Gender)</b>				
Female	Hour	6,9	16,1	11,5
Male	Hour	4,9	17,2	11,6
<b>Training hours per employee (by Work Category)</b>				
Field Employee	Hour	5,5	15,7	10,8
Office Employee	Hour	15,8	45,6	25,6
Subcontractor	Hour	12,0	12,0	12,0
<b>Training hours per employee (by Employee Category)</b>				
Top Management	Hour	2,0	8,0	8,0
Mid-Level	Hour	8,9	37,2	27,5
Other	Hour	5,9	16,5	11,3

## HEALTH AND SAFETY

ESG Metrics	Group	Unit	2022	2021	2021
<b>Accidents</b>					
Near Miss Frequency Rate (NMFR)	Company	Rate	3,14	1,70	8,14
	Sub contractor	Rate	0	0	0
Total Recordable Incident Rate (TRIR)	Company	Rate	0	0,57	0
	Sub contractor	Rate	0	0	0
High-Consequence Incident Rate	Company	Rate	0	0	0
	Sub contractor	Rate	0	0	0
Fatality Rate	Company	Rate	0	0	0
	Sub contractor	Rate	0	0	0
Lost time rate due to occupational accidents	Company	Rate	0	0	0
	Sub contractor	Rate	0	0	0
Occupational Disease Rate (ODR)	Company	Rate	0	0	0
	Sub contractor	Rate	0	0	0

ESG Metrics	Unit	2022	2021	2020
<b>Health and Safety (HSE) Committee</b>				
Number of established HSE committees	Number	1	1	1
Number of participants of HSE committee	Person	12	15	22
Number of representative employees in HSE committee	Person	4	5	12
<b>Health and Safety Training</b>				
Number of company employees	Hour	749	1,064	1,005
Provided training time	Hour	3,571	7,689	8,116
Training time per Company Employee	Hour	4,77	7,23	8,08
Number of Subcontractors	Person	19	21	27
Provided training time	Person	228	252	324
Training time per Subcontractor	Hour	12	12	12
Total provided training Time	Person	3,799	12	8,440



## ECONOMIC PERFORMANCE

## ENERGY AND EMISSION

ESG Metrics	Unit	2022	2021	2020
<b>Non-Renewable Direct Energy</b>				
Gasoline	liter	0	0	0
Diesel	liter	2,500	2,700	1,600
Natural gas	m <sup>3</sup>	74,985	82,329	69,266
<b>Non-Renewable Indirect Energy</b>				
Non-Renewable Indirect Energy	Unit	0	0	0
<b>Carbon Emissions</b>				
Direct CO <sub>2</sub> Emissions	t CO <sub>2</sub> e	991	801	715
Indirect CO <sub>2</sub> Emissions	t CO <sub>2</sub> e		18,810	
Carbon emission reduction rate per product	%	4%	2%	2,4%
Gases included in emission calculation	CO <sub>2</sub> , N <sub>2</sub> O, CH <sub>4</sub>			

## WASTES

ESG Metrics	Unit	2022	2021	2020
<b>By Waste Type</b>				
Hazardous Wastes	Ton	2	2	3
Non-Hazardous Wastes	Ton	660	664	469
<b>Total Wastes</b>	<b>Ton</b>	<b>663</b>	<b>665</b>	<b>472</b>
<b>By Disposal Method</b>				
Energy Recovery	Ton	410,5	277,0	281,9
Recovery	Ton	252,5	388,0	190,0
Landfill	Ton	0,1	0,0	0,1
Waste Incineration	Ton	0,0	0,0	0,0
Other	Ton	0,0	0,0	0,0
<b>Total Waste Disposals</b>	<b>Ton</b>	<b>663</b>	<b>665</b>	<b>472</b>



## WASTES

ESG Metrics		Unit	2022	2021	2020
By Type					
Hazardous Wastes	Insulation Materials	kg	12	0	1120
	Hazardous Wastes Containing Organic Matter	kg	26	20	-
	Waste Oil	kg	157	729	2
	Airbag	kg	0	5	-
	Contaminated Packaging	kg	280	220	805
	Contaminated Waste	kg	692	260	496
	Paint Waste	kg	0	0	0
	Toner-Cartridge	kg	46	60	139
	Fluorescent	kg	47	0	23
	Electronic Waste	kg	571,5	186	143
	Accumulator	kg	0	0	0
	Battery	kg	0	0	0
	Medical waste	kg	110	24	60
Non-Hazardous Wastes	Wooden palette	kg	33659	24419,5	18159
	Paper-Cardboard	kg	83797	109363,5	63710
	Paper Waste (Production)	kg	6087	13345	15406
	Plastic Packaging (Nylon)	kg	14470	14228	13416
	Plastic Packaging (Production)	kg	3347	3195	1021
	Plastic (Packaging) Other waste	kg	1533	1609	1872
	Plastic(Other)	kg	210	4331	2357
	Metal waste (production)	kg	6565	139,5	5406
	Metal waste (production)	kg	468	7189	13815
	Felt Waste	kg	14934	25122	28656
	Fabric Waste	kg	494321	460351	321827
	Cable Waste	kg	994	257	1233

## ENVIRONMENTAL INVESTMENTS

ESG Metrics	Unit	2022	2021	2020
Environmental Investments				
Operating expenses of environmental activities	TL	835,433	334,011	313,263
Environmental protection investments	TL	4,493	2,100	2,000
<b>Total</b>	<b>TL</b>	<b>839,926</b>	<b>336,111</b>	<b>315,263</b>



## REUSED/RECYCLED PACKAGING WASTE

ESG Metrics	Unit	2022	2021	2020
<b>Reused/Recycled Packaging Waste</b>				
Paper and Cardboard Packaging	kg	89,884	122,709	79,116
Plastic Packaging	kg	19,350	19,032	16,309
Wooden Packaging	kg	33,659	24,420	18,159
Tafnel (Felt) Waste	kg	14,934	25,122	28,656
Metal Waste	kg	7,033	7,329	19,221
Cable Waste	kg	994	257	1,233

## WATER

ESG Metrics	Unit	2022	2021	2020
<b>Total Volume of Water Withdrawn</b>				
Surface water (Including bogs, lakes, rivers and streams)	m <sup>3</sup>	-	-	-
Groundwater	m <sup>3</sup>	-	-	-
Seawater	m <sup>3</sup>	-	-	-
Rainwater	m <sup>3</sup>	-	-	-
Produced water	m <sup>3</sup>	-	-	-
Third-party water (City water etc)	m <sup>3</sup>	8324 * <sup>1</sup>	6,817,00	5,837,00

\*1 "The reference value of withdrawn water is written based on water consumption. Since only domestic-quality water is used, seepage loss is neglected in this value.,

<b>Discharge</b>				
Surface water (Including bogs, lakes, rivers and streams)	m <sup>3</sup>	-	-	-
Groundwater	m <sup>3</sup>	-	-	-
Seawater	m <sup>3</sup>	-	-	-
Third-party water (Sewerage etc)	m <sup>3</sup>	-	-	-
<b>Consumption</b>				
Water consumption	m <sup>3</sup>	8,324,00	6,817,00	5,837,00

## ETHICS

ESG Metrics	Unit	2022	2021	2020
Number of employees trained in relation to ethics	Person	942	1,007	688
Success rate of training completion	Ratio	97%	96%	96%



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<b>GRI 102: General Disclosures 2016</b>			
<b>Organizational Profile</b>			
102-1	Name of the organization	About the Report	10
102-2	Primary brands, products and services	About TB Sewtech Turkey	14, 15
102-3	Location of the organization's headquarters	"Topçular Mahallesi 622. Sokak No: 4 Çilimli Düzce/ TÜRKİYE"	15
102-4	Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report	Toyota Boshoku in the World	12, 13
102-5	Nature of ownership and legal form	Relations With our Stakeholders	51
102-6	Markets served	Toyota Boshoku in the World	12, 13
102-7	Scale of the organization	Toyota Boshoku in the World	12, 13
102-8	Information on employees and other workers	"Employment, Diversity and Inclusion Appendix (Workplace Demography)"	"40-41, 62-64"
102-9	Supply Chain		
102-10	Significant changes to the organization and its supply chain		
102-11	Precautionary principle or approach		
102-12	External initiatives		
102-13	Membership of associations	Collaborations and Partnerships	53
<b>Strategy</b>			
102-14	Statement from senior decision-maker	Message from the President	3
102-15	A description of key impacts, risks and opportunities	Risk Management	55
<b>Code of Ethics and Principles</b>			
102-16	Values, principles, standards, and norms of behaviour	"Management Concept Business Ethics and Compliance"	"4- 5 54-55"
102-17	Internal and external mechanisms for seeking advice about ethical and lawful behaviour, and organizational integrity	Business Ethics and Compliance	54-55
<b>Governance</b>			
102-18	Governance structure of the organization, including committees of the highest governance body	"Management Concept Our Organization Structure"	"4- 5, 16-17"
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	Relations With our Stakeholders	51-52
102-41	Collective bargaining agreements	Employee Rights and Development	42
102-42	Identifying and selecting stakeholders	Relations With our Stakeholders	50-52
102-43	Approach to stakeholder engagement	Relations With our Stakeholders	50-52
102-44	Key topics and concerns raised	TB Sewtech Turkey Materiality, Stakeholder Engagement, and the UN Sustainable Development Goals	24-31
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102-46	Defining report content and topic boundaries	About the Report	10
102-47	List of material topics	TB Sewtech Turkey Materiality, Stakeholder Engagement, and the UN Sustainable Development Goals	24-31
102-48	Restatements of information given in previous reports	About the Report	10
102-49	Changes in reporting	About the Report	10
102-50	Reporting period	About the Report	10
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102-55	GRI content index	GRI Index	70-75
102-56	External Assurance		



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<b>Economic Performance</b>			
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	103-2 The management approach and its components	Our Sustainability Management at TB Sewtech Turkey	"4- 5, 30-31"
	103-3 Evaluation of the management approach	Our Sustainability Management at TB Sewtech Turkey	"4- 5, 30-31"
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Governance and Financial Performance Indicators	60
	201-4 Financial assistance received from government	Governance and Financial Performance Indicators	60
<b>Indirect Economic Impacts</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	TB Sewtech Turkey Material Issues, Stakeholder Engagement, and the UN Sustainable Development Goals	24-31
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GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Governance and Financial Performance Indicators	
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GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Business Ethics and Compliance	54
<b>Anti-Corruption</b>			
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GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Employee Rights and Development	42-43,69
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GRI 206: Anti-Competitive Behaviour 2016	206-1 Total number and outcomes of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		



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GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management	34-35,67
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	TB Sewtech Turkey Materiality, Stakeholder Engagement, and the UN Sustainable Development Goals	24-31
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	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Appendix (Benefits)	65
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