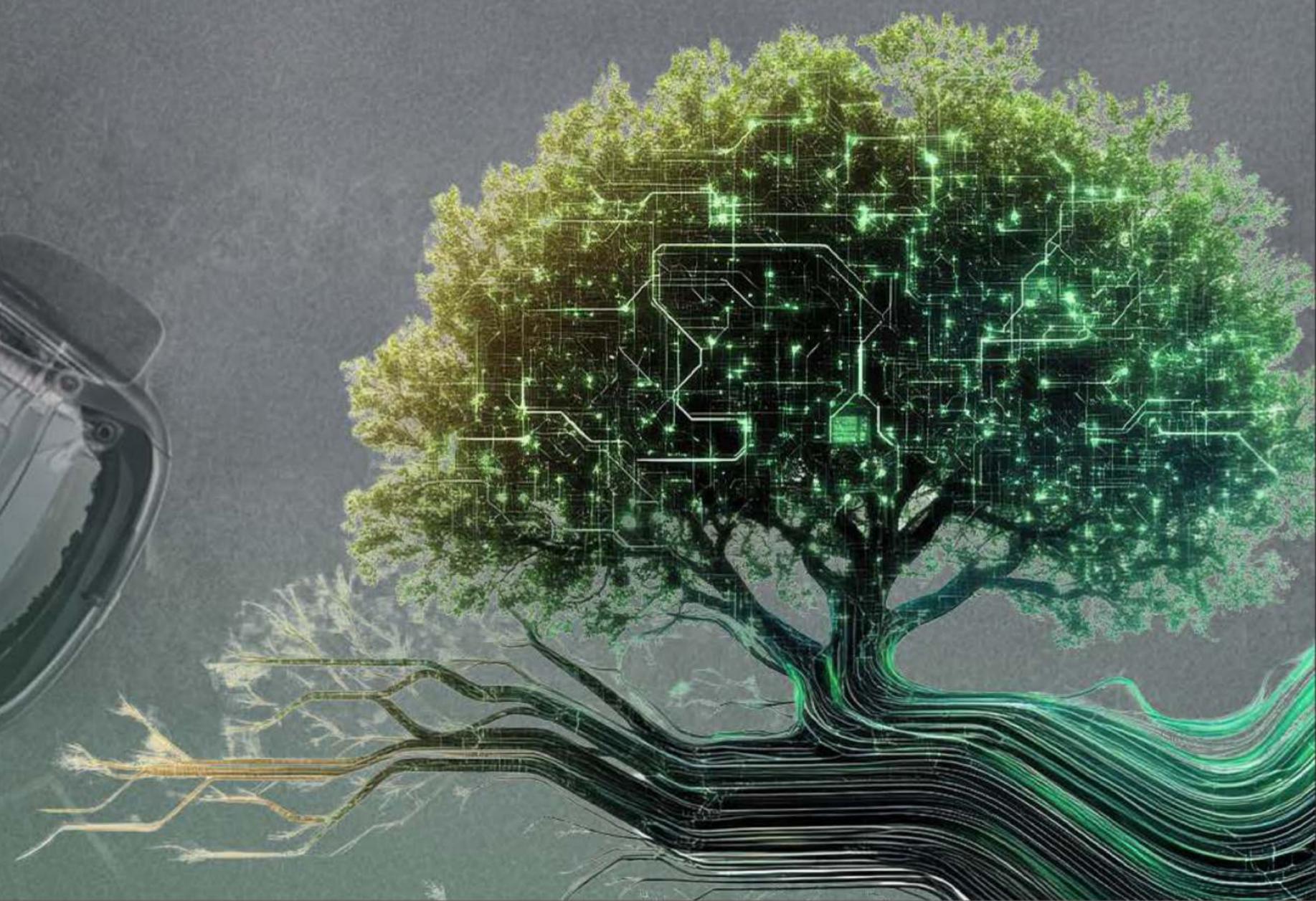


SUSTAINABILITY REPORT EXECUTIVE SUMMARY 2024



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TEKNOROT SUSTAINABILITY REPORT EXECUTIVE SUMMARY 2024

As one of Europe's largest remanufacturers in the aftermarket for suspension and steering components for passenger cars and light commercial vehicles, Teknorot is pleased to share its third sustainability report, the 2024 Sustainability Report, with its stakeholders.

Our sustainability journey, which began with the publication of our first report in 2022, expanded in scope in 2023 and entered a new phase in 2024, where sustainability has become an integral part of our corporate strategy. This report demonstrates that Teknorot's approach to Environmental, Social and Governance (ESG) issues goes beyond commitments; it reflects a mature structure that is measured, managed, and continuously improved.

Teknorot views its "Always Ahead" approach not only through the lens of technological and operational excellence, but also as a vision grounded in environmental responsibility, a people-oriented work culture, ethical governance, and transparent communication with stakeholders. Throughout 2024, sustainability was integrated into all business processes—from production and supply chain to human resources and innovation—becoming a shared management language across the organization.

Covering the period from 1 January 2024 to 31 December 2024, this report reflects a reassessment of our priority sustainability topics based on ongoing engagement with our employees, customers, suppliers, business partners, and other stakeholders. Energy and resource efficiency, climate impact mitigation, digitalization and lean manufacturing, employee development, and ethical and responsible supply chain management were among the key focus areas in 2024.

The year 2024 also marked a milestone in which Teknorot institutionalized its sustainability governance, linked performance indicators to business objectives, and clarified its long-term sustainability roadmap. Concrete actions to reduce environmental impacts, initiatives to strengthen an inclusive and safe working environment, and a robust governance structure stand out as the core outcomes of this transformation.

Within the scope of this report, we are pleased to present to our valued stakeholders the Executive Summary, which outlines the key elements of our sustainability approach and highlights the progress achieved throughout 2024.

MESSAGE FROM THE CHAIRMAN OF THE BOARD



Dear Valued Stakeholders,

Teknorot has reached a significant milestone in its journey of sustainable growth.

As we approach the 35th anniversary of our establishment, we have further strengthened our leadership in the aftermarket and advanced our position in global competition through our international customers, distribution network, and sales channels.

The initiatives we have carried out within the scope of the Turquality program have increased our brand's international recognition, while our investments in sustainable production, digital transformation, and corporate governance have further reinforced Teknorot's brand value and customer trust.

As always, by maintaining our people and environment focused growth approach, our energy efficiency projects, efforts to reduce our carbon footprint, and social policies shaped by the principle of equal opportunity form the foundation of our global responsibility.

At the point we have reached today, Teknorot has become a preferred and trusted brand across sales channels, recognized for its quality, continuity of service, wide product range, and customer satisfaction oriented approach, while also developing long term partnerships.

This success is not only the result of our engineering strength but also a natural outcome of the business partnerships based on mutual trust that we have established with our customers.

Sincerely,
Leon Kalma
Chairman of the Board

MESSAGE FROM THE VICE CHAIRMAN OF THE BOARD



Dear Valued Stakeholders,

We continue to move forward rapidly on our sustainability journey, guided by innovation, efficiency, and responsible growth.

In order to adapt to the transformation taking place in the automotive sector, where global collaborations are becoming increasingly stronger, we have taken decisive steps in R&D and digitalization while expanding a data driven management culture. This approach has supported our competitiveness by creating significant efficiency gains both in our production processes and in our decision making mechanisms.

To remain strong in the financial dimension of sustainability, we continue to structure the optimization of all areas of resource utilization in line with our medium and long term financial discipline objectives. We approach our investment decisions within a framework that jointly manages financial sustainability and business continuity, taking into account our corporate capacity and market conditions.

The dissemination of responsible practices across all links of our supply chain, the support of carbon reduction focused improvements, and the widespread adoption of inclusive practices that strengthen social cohesion throughout the organization are among our priorities. Developments in areas such as women's employment, equal opportunity, and quality of working life constitute tangible indicators of our social sustainability approach.

As Teknorot, we will continue in the coming period to pursue a growth strategy that is innovative, competitive, financially resilient, and firmly centered on people.

Sincerely,
İzi Aseyo
Vice Chairman of the Board

MESSAGE FROM THE GENERAL MANAGER



Dear Valued Stakeholders,

At Teknorot, we view sustainability not only as a matter of environmental responsibility but also as one of the core pillars of our long term growth, competitiveness, and corporate resilience. The evolving dynamics of the automotive sector, climate change, and supply chain expectations call for a more efficient, more transparent, and more responsible approach.

This reporting year has been one in which we made our sustainability approach more systematic, focusing on reducing our environmental impacts, creating a safer and more inclusive working environment for our employees, and strengthening our ethical governance culture. We have made progress in many areas, particularly energy and resource efficiency, waste management, occupational health and safety, and compliance processes.

At the same time, we have approached digitalization as a key enabler supporting our sustainability goals. By strengthening data driven management in our production and operational processes, we aimed to increase efficiency, enhance traceability, and make our decision making processes more effective. We believe that this approach has made a significant contribution to optimizing our resource use, reducing losses, and managing our sustainability performance in a measurable manner.

This report not only presents our performance in a transparent way but also shares our future objectives. In the period ahead, while maintaining our focus on efficiency and innovation, we aim to further reduce our environmental impacts, continue our digital transformation investments, strengthen our sustainable supply chain approach, and advance our employee focused practices.

I would like to thank all my colleagues who contributed to this journey and emphasize that we will continue to work with determination, together with our stakeholders, toward a more sustainable future.

Sincerely,
Cevat Aslan
General Manager

Teknorot – 30 Years of Innovation and a Global OEM Journey

Founded in Istanbul in 1992 with 100% domestic capital, Teknorot relocated all its operations in 2008 to its modern production facility in Düzce, reaching full production capacity in the manufacture of suspension and steering components for passenger cars and light commercial vehicles.

Today, Teknorot offers more than 13,000 product codes across 18 different product groups, including ball joints, tie rod ends, control arms, stabilizer links, bushing groups, and connecting components. By adding 400–500 new references to its product portfolio each year, the Company rapidly adapts to market dynamics.

With a total production area exceeding 190,000 m² and a workforce of more than 4,100 employees, Teknorot is one of the largest manufacturers of suspension and steering components not only in Türkiye but also in Europe. In addition to its two production facilities in Düzce, the Company strengthens its global manufacturing and distribution network through operations in Spain, India, and its group companies.

Group companies include specialized investments such as Kautek (rubber metal components), Alteka (aluminum forging components), and Atak Taşıt (distribution).

Today, Teknorot exports to more than 95 countries across 6 continents, serving a broad customer base that covers 95% of the European vehicle park, 85% of the U.S. vehicle park, and 90% of the Asian vehicle park.

In 2024, Teknorot ranked 257th among Türkiye's Top 500 Industrial Enterprises.

In 2011, Teknorot was granted R&D Center status by the Ministry of Industry and Technology and has since been developing innovative projects with its expert team of 134 professionals.

Digital solutions such as the Smart Arm Sensor Project are concrete examples of the Company's vision for vehicle safety and sustainable mobility. The development of more than 400 new products each year further strengthens Teknorot's innovative approach. Thanks to its fully integrated production structure, all stages of manufacturing including forging, machining, rubber metal vulcanization, cathoretic coating, and robotic welding are carried out in house.

With a daily packaging capacity exceeding 140,000 products, Teknorot is able to provide customer specific labeling and packaging services for more than 420 customers. In the areas of environmental, social, and governance (ESG), Teknorot secures its processes through international standards such as ISO 14001, ISO 50001, ISO 27001, ISO 45001, ISO 9001, and IATF 16949.

Energy efficiency, carbon reduction, occupational health and safety, data security, and an ethical business culture are among the Company's top priorities.

Strategic Steps Toward Becoming a Global OEM Manufacturer

Teknorot's goal of becoming a global Original Equipment Manufacturer (OEM) turned into a tangible journey with the first steps taken in 2019.

Within this framework, the Company has developed Tier 1 level collaborations with numerous electric vehicle manufacturers and international automotive brands.

By allocating significant budgets to R&D investments, Teknorot aims to offer innovative and competitive solutions to its OEM customers in parallel with advancing technology.

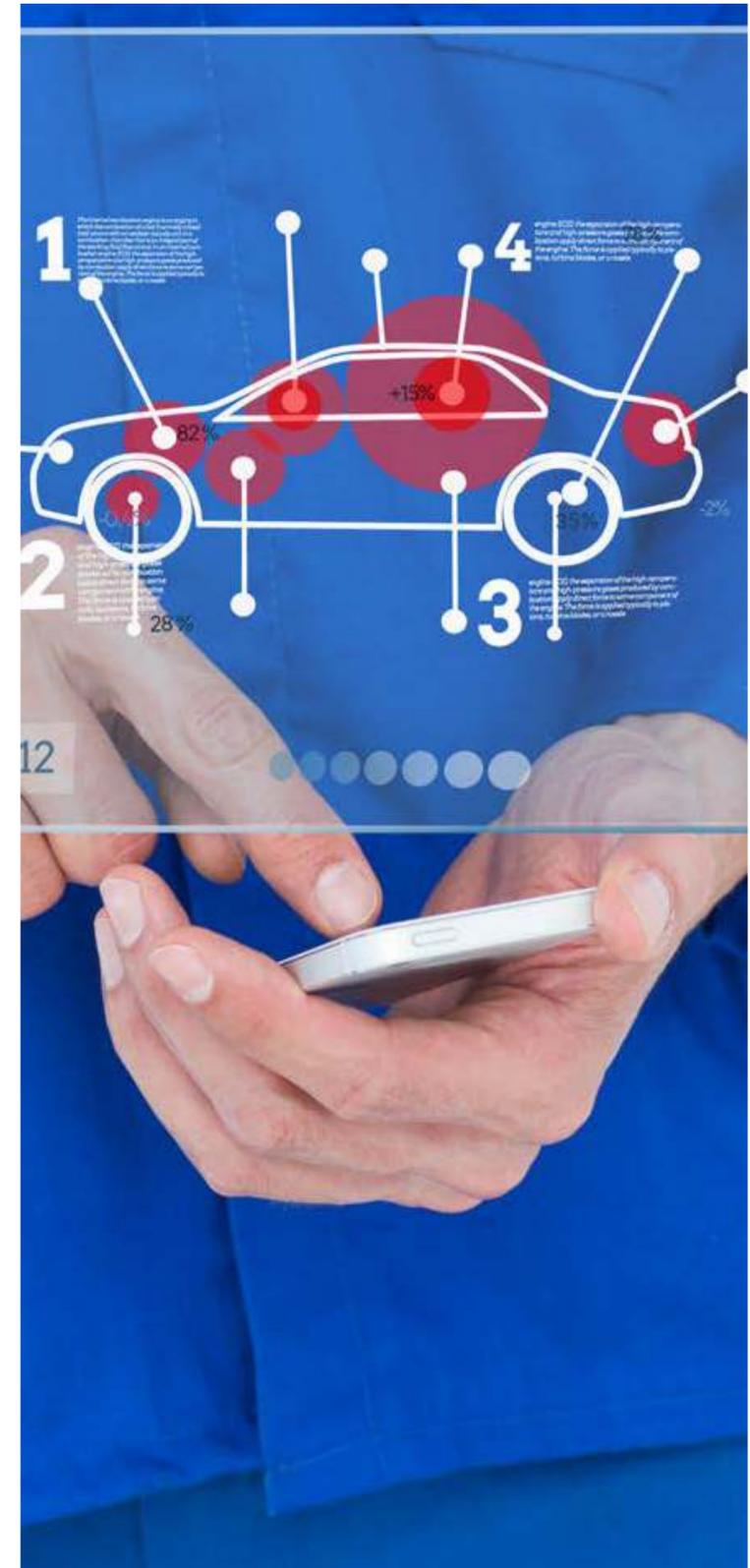
Thanks to production technologies with increased industrial robotics intensity, maximum efficiency and capacity growth are achieved, positioning Teknorot as "Always Ahead" in OEM manufacturing.

Teknorot's long standing success, competitive pricing policy, strong R&D infrastructure, and long term partnerships make it a preferred choice among global OEM manufacturers.

In the coming period, the Company plans to increase the share of OEM revenue to 20% and establish dedicated production lines for this segment.

With 30 years of innovation, R&D, and an uncompromising quality legacy, Teknorot continues to pursue its vision of becoming a global OEM manufacturer with determination.

Aiming to be "the Name of Trust" in suspension and steering components, Teknorot will continue to lead the way in the mobility world of the future.

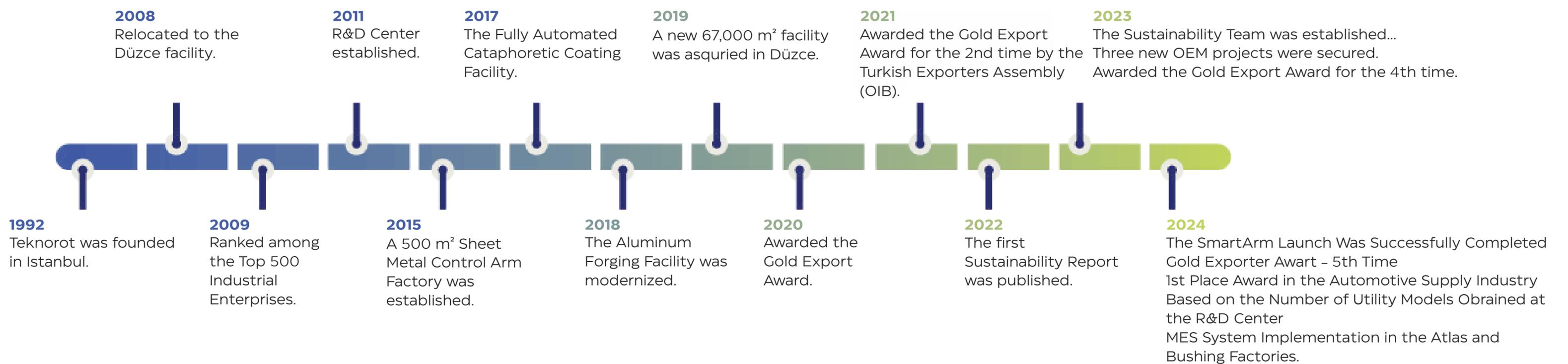




Teknorot, Aşağıdaki Kategorilere Göre En İyi 500 Ar-Ge Merkezi Listesi'nde Yer almaktadır.

	Otomotiv Tedarikte	Otomotivde
En çok Ar-Ge harcaması yapan firmalar arasında 99.	10.	20.
Ar-Ge merkezinde alınan ulusal patent sayısına göre 25.	2.	7.
Ar-Ge merkezinde alınan faydalı model sayısına göre 8.	1.	3.
Ar-Ge merkezinde yürütülen proje sayısına göre 55.	6.	8.
Ar-Ge merkezinde çalışan toplam personel sayısına göre 50.	5.	11.

SIRADAYIZ



OUR FACILITIES AND PRODUCTS

Teknorot is among the largest manufacturers in the European aftermarket for suspension and steering components for passenger cars and light commercial vehicles. Founded in 1992 with 100% domestic capital, our Company stands out with its reliability, quality driven approach, and technology focused production capability, guided by the motto **“Local to the World.”**

Our Company manufactures across 18 main product groups, including ball joints, tie rod ends, tie rods, tie rod assemblies, control arms, Z links, Z link kits, bushing groups, aluminum and steel forged ball joint arms, sheet metal control arms, repair kits, and control arm bushings.

All of these products undergo international quality, durability, and lifetime tests and are offered to customers at standards that meet the requirements of global markets.

Today, Teknorot has more than 13,000 active product references and adds over 500 new product references to its portfolio each year. More than 90% of its production is exported to over 95 countries, primarily across Europe.

Our Production and Distribution Infrastructure

Our integrated production facility located in the Düzce Organized Industrial Zone, which has been operating at full capacity since 2008, is established on a total area of 190,000 m², including 120,000 m² of covered space, and provides employment for more than 4,100 employees. With production and distribution centers located in strategic international markets such as Spain and India, Teknorot operates across a total production area of 190,000 m² with a workforce exceeding 4,100 employees.

Our Düzce facility is not only a production hub but also a symbol of advanced manufacturing technologies, lean production principles, and high quality standards. Thanks to our global footprint, Teknorot offers its customers fast delivery, sustainable supply, and flexible manufacturing solutions.

Teknorot has been ranked among Türkiye’s Top 500 Industrial Enterprises since 2009 and is one of the leading companies creating added value for the Turkish economy. Since its establishment, our Company has placed customer satisfaction, high quality, and continuous improvement at the core of its operations, and continues to sustainably reinforce its global leadership with the vision of “Always Ahead.”

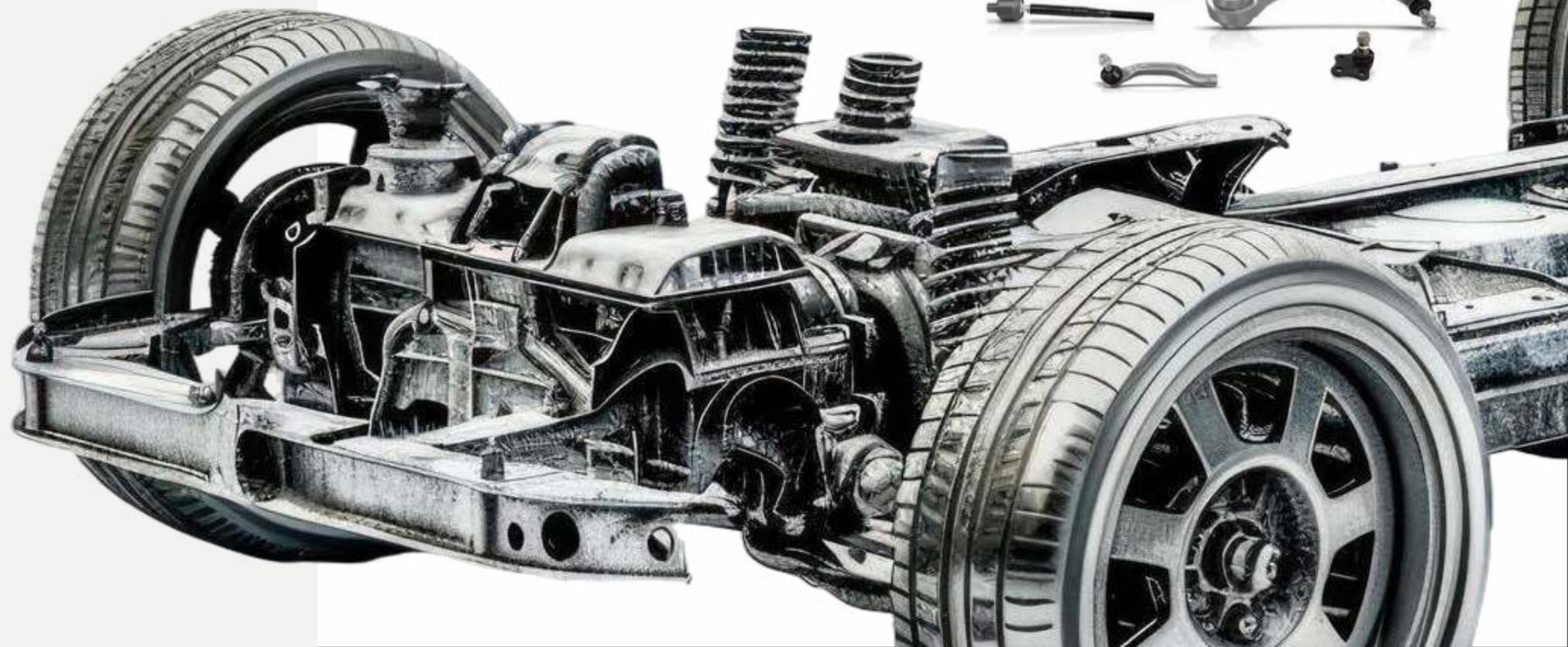
Our Products

Teknorot stands out as one of the leading manufacturers in the European aftermarket for suspension and steering components for passenger cars and light commercial vehicles.

Our Company offers a wide product range by specializing in 18 different product groups, including ball joints, tie rod ends, tie rods, tie rod assemblies, control arms with and without ball joints, control arm bushings, stabilizer links and stabilizer link bushings, rubber components, repair kits, Z links, Z link kits, sheet metal control arms, and aluminum and steel forged ball joint arms.

These product groups undergo international durability and quality tests and are brought to standards that meet demand in global markets.

In addition, Teknorot currently serves 68–80 different vehicle brands, has more than 12,000 active product references, and adds over 900 new product references to its portfolio each year.



HIGHLIGHTS OF 2024

The year 2024 marked a period of significant milestones in Teknorot's sustainable growth and global brand strength objectives. The company restructured all its processes, from production technologies to human resources practices, around digital transformation, environmental sustainability, and global operational excellence.

Growth in OEM Production:

The year 2024 marked a period in which Teknorot gained strong momentum in global growth within the OEM (Original Equipment Manufacturing) segment. With new OEM projects launched in the European and Asian markets, Teknorot's position as a "reliable supplier" was further strengthened.

Progress in the Turquality Process:

Brand and management system development activities carried out within the scope of the Turquality program were successfully completed, strengthening Teknorot's international brand presence.

IR India Transformation Program:

The transformation of human resources and production systems initiated within the India operations was completed, achieving global standards through digital human resources infrastructure, occupational health and safety practices, and environmental investments.

Progress in the Turquality Process:

Brand and management system development activities carried out within the scope of the Turquality program were successfully completed, strengthening Teknorot's international brand presence.

Women's Employment and Diversity:

Throughout 2024, an increase in women's employment was achieved, and the proportion of women in managerial positions reached 36%. The target of increasing women's employment and the share of women in management to 10% by 2026 has been defined and monitored as a KPI.

Environmental Sustainability:

Within the scope of energy efficiency and carbon reduction projects, new investments were made, and the environmental performance of processes was secured through ISO 14001, ISO 50001, and IREC renewable energy certificates.

Corporate Social Responsibility and Employee Engagement:

The performance of the employee suggestion system was enhanced, with more than 2,700 suggestions submitted by 1,050 employees. In addition, employee engagement was strengthened through social support initiatives, training investments, and motivation enhancing activities.

Global Growth and Exports:

Exports were carried out to more than 95 countries, reaching over 90% of the vehicle parc in Europe and the United States.



Always Ahead:

Marketing Steps That Strengthen Brand Value

In 2024, Teknorot established closer engagement with its customers through strong collaborations built both in the field and across digital platforms. Ümit Can Özdemir, who consistently stood on the podium in the Turkish Rally Championship, stood out not only for his success in racing but also for the energy he brought as Teknorot's brand ambassador. The excitement of motorsport combined with Teknorot's dynamism inspired young automotive enthusiasts and made the brand's innovative identity highly visible on the field.

One of the most concrete examples of Teknorot's customer-focused approach was the integration of real field experiences into its communication strategy. İskender Usta, a long-standing professional in the sector, shared his hands-on experiences with Teknorot products, reinforcing perceptions of quality and trust. Interviews and visual content produced in his workshop served as strong evidence that Teknorot is not only a manufacturer, but also a reliable business partner.

In addition, collaborations with Teknik Kariyer and Uludağ Otomotiv introduced a new communication dimension with a strong focus on technical content. Through these materials, emphasis on technology, automation, and product quality further strengthened Teknorot's position as a knowledge leader within the industry.

Through multi-channel social media management, significant increases were achieved in Teknorot's digital visibility. On LinkedIn, the brand reached 20,919 followers, gaining 2,132 organic followers in a single year. Facebook reach amounted to 622.4 thousand, while Instagram reach reached 483.1 thousand.

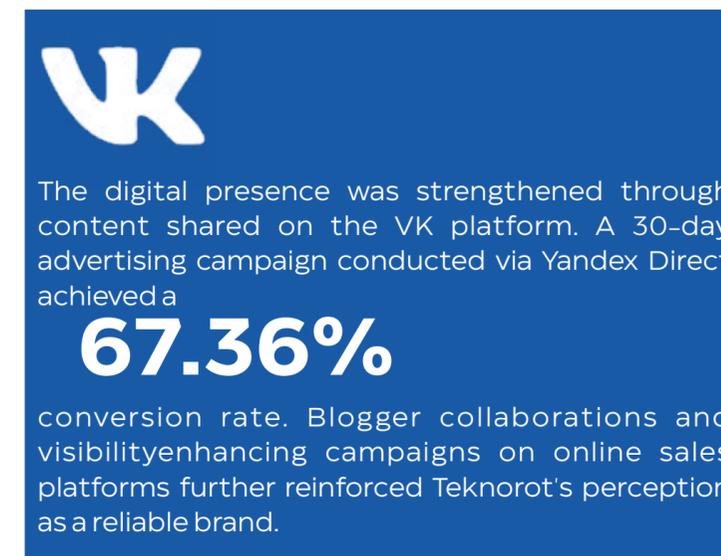


In the first half of the year, 448.2 thousand impressions and 171.8 thousand reach were achieved. These results showed that Teknorot creates trust and sustainable brand value not only through product quality, but also through effective communication strategies.



Accompanied by the slogan "Teknorot, the Choice of Rally Enthusiasts," the brand logo, positioned on vehicle windows and in service areas throughout 7 races of the Turkish Rally Championship, became fully integrated with the dynamism of the sport. The rally car exhibited at Automechanika Istanbul attracted significant visitor interest, effectively bringing sports sponsorship into the exhibition space. At the end of the season, the team supported by Teknorot achieved 3rd place in the overall standings and 2nd place in the RC2 category, crowning the brand's sporting success.

In 2024, international visibility became a strategic priority for Teknorot. Participation was achieved in a total of nine trade fairs. While direct engagement with business partners took place at Automechanika Istanbul 2024, Teknorot strengthened its global position at fairs in Frankfurt, Las Vegas, and Wolfsburg through new business collaborations and innovative product launches. Exhibition visuals reflected how innovative products and strong interactions with business partners enhanced the brand's international reputation.



Exhibition visuals reflected that innovative products and strong interactions with business partners enhanced the brand's international reputation.

Advertising published in Türkiye's Yedek Parça Dergisi and in Russia's Dvijok, Koleso, Avtopanorama, and Za Rulem magazines increased brand awareness across different markets. Dealer-specific booths were prepared at Automechanika Istanbul, and Teknorot visuals were positioned at retail points. Promotional items such as ties, thermoses, notebooks, jackets, keychains, brochures, and USB drives contributed to customer and dealer loyalty.

The year 2024 was also a period marked by increased knowledge sharing and engagement. Events such as the Erzurum Seminar, TAYSAD Conference, Abant Dealer Meeting, and Cyprus Seminar contributed to sectoral knowledge exchange. Students from universities, business partners, and industry professionals observed production processes on-site through factory visits. The SmartArm Launch held at Automechanika Frankfurt 2024 repositioned Teknorot's innovation capability in the global market.

Overall, 2024 was a year in which Teknorot successfully implemented its multi-channel communication strategy. While sports sponsorships and international trade fairs strengthened brand awareness on a global scale, digital campaigns in Russia stood out with high conversion rates. Promotional products, dealer support initiatives, and training sessions and seminars reinforced customer loyalty.

As one of the companies with the lowest warranty claim rates in the aftermarket sector, Teknorot reduced warranty return rates through operational improvements and regular customer feedback. This approach ensured the sustainability of customer satisfaction.

In conclusion, in 2024 Teknorot strengthened its sustainable brand value not only through product quality, but also by bringing its "Always Ahead" motto to life both in the field and in digital channels through influencer collaborations, sponsorships, trade fair participation, and strategic projects.

Customer Satisfaction Focus

At Teknorot, we regard customer satisfaction not only as a performance indicator, but also as one of the fundamental pillars of our sustainable growth.

With this understanding, we have been demonstrating a pioneering approach in our sector by applying the globally recognized Net Promoter Score (NPS) methodology since 2015.

In addition to measuring customer loyalty, NPS plays a critical role in our strategic decision-making due to its direct correlation with growth.

Throughout 2024, significant progress was achieved in the effective management of customer feedback, the continuous improvement of product and service quality, and the institutionalization of customer-focused processes.

During the year, a total of 123 customers feedback entries were received, representing a 16% decrease compared to the previous year, indicating that we are delivering solutions that better align with customer expectations.

In the distribution of feedback, 38 complaints were related to 0 km parts, 7 to OEM products, and 6 to products under warranty, while 72 feedback entries fell under the “request” category.



As a result of the technical analyses conducted, **46 complaints were deemed invalid (37.3%)**, indicating that user-related issues are effectively distinguished through accurate fault analysis.

The daily average number of feedback entries was 0.43, reflecting the overall performance stability of our products.

Quality indicators also provide concrete evidence of the improvement in customer satisfaction. For 0 km Aftermarket products, the PPM value decreased **from 281 to 43, representing an 84.6% improvement**.

Although a temporary stock-related increase was observed in the OEM segment, the PPM value for parts produced in 2024 only was 22.85, achieving the targeted quality level.

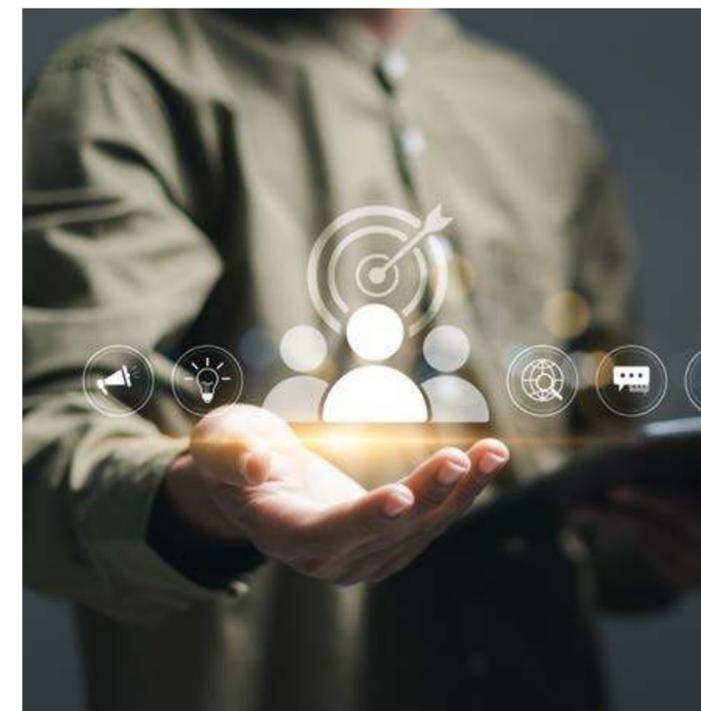
The year 2024 also marked a turning point in terms of customer-focused practices. For the first time, a “**2+1 year warranty period**” was introduced for domestic customers, and feedback processes were further institutionalized through three quality workshops. In addition, customer visits and audit days increased by 20%, reaching 130 days; these visits directly impacted 10 different departments and collectively created an operational capacity equivalent to approximately 0.5 full-time employees.

Supporting customer satisfaction is not limited solely to complaint management and quality performance. Through **training seminars** organized for distributors and end users, Teknorot enhances brand awareness and provides on-site training on proper product usage, installation conditions, and maintenance processes. The after-sales field team conducts regular visits across all regions, establishing direct contact with users and strengthening customer communication.

In line with our commitment to compliance, we report annually to global platforms such as **EcoVadis** and provide transparent data to meet our customers' requirements. In the coming years, we also plan to complete the preliminary preparations for **CDP (Carbon Disclosure Project)** reporting.

These efforts enable us to meet customer expectations not only in terms of quality, but also across environmental, social, and governance dimensions.

For 2025, the defined quality targets are a **Target PPM of 360** and a **Target Number of Customer Feedback entries of 313**. These targets demonstrate that customer satisfaction is embraced as a sustainable roadmap within our strategic management approach.



Sustainable Procurement

At Teknorot, we act with the awareness that sustainable growth is not limited solely to our own operational boundaries; we consider the integration of environmental, social, and governance (ESG) principles across our entire supply chain among our corporate priorities. We design our procurement processes not only with a focus on cost and quality, but also in a manner that is ethical, environmentally responsible, and contributes to long-term value creation.

In line with this approach, with our General Purchasing Agreement updated as of 2024 and the **Sustainable Supply Chain Handbook** planned to be published in 2025, we expect all our suppliers to comply with the following fundamental principles:

Ethics and Legal Compliance:

Zero tolerance toward practices such as child labor, forced labor, and discrimination, in full compliance with Teknorot's Code of Business Ethics and national and international regulations.

Environmental Responsibility:

Full compliance with ISO 14001 and ISO 50001 systems, REACH and RoHS regulations; EUDR obligations, conflict free mineral commitments, and carbon reduction plans.

Social Responsibility and Human Rights:

The implementation of decent working conditions, occupational health and safety, freedom of association, and fair remuneration principles.

Innovation-Oriented Collaborations:

The establishment of long-term strategic partnerships through R&D projects, value-added solutions, and technology investments. (In line with the outcomes of the Dorukmak Innovation Workshop held on 04.12.2024, smart supply planning, digital quality control, and data analytics solutions were developed.)

In 2024, in order to further strengthen these principles in practice;



Supplier audits were completed with an average success rate of

93%

Overall PPM performance showed an improvement compared to previous years.

In this way, Teknorot aims not only to reduce risks, but also to enhance sustainability impact throughout the entire value chain.

All our suppliers are expected to provide ethical declarations, certifications, traceable data reporting, and openness to on-site audits when required.

In addition, through **sustainable procurement webinar programs** organized in 2024, our approach was shared in detail, and expectations and areas for improvement were clarified through mutual interaction.



INNOVATION AT TEKNOROT

R&D Center Infrastructure and Strategy

Teknorot Automotive formalized its innovation and sustainability-focused growth strategy in 2011 with the R&D Center designation granted by the Ministry of Industry and Technology. Today, it has a strong R&D infrastructure comprising more than 120 expert employees, 54,212 m² of office space, 217 m² of laboratories and workshops, totaling 801 m² of dedicated R&D facilities.

R&D activities place customer expectations at the center across all stages, including design, manufacturing, CAE analyses, testing, and validation, with the aim of enhancing product quality and developing innovative solutions.

Within this scope, the R&D organizational structure operates through a comprehensive framework that includes Product Development, Advanced Engineering, Laboratory, Prototype Manufacturing, Mold Design, Innovation, Digital Transformation, and Project Groups.

In addition to projects supported by institutions such as TÜBİTAK, the European Commission, and the Republic of Türkiye Ministry of Industry and Technology, Teknorot represents the Turkish automotive industry internationally by participating in global programs such as HORIZON Europe and Eureka.

In line with the company's digitalization vision;

- Robotic Process Automation (RPA)
- Digital Twin Technologies
- Power BI-based reporting systems
- PLM (Product Lifecycle Management) solutions

solutions were implemented, thereby achieving labor savings while increasing operational efficiency and transparency.

Intellectual and Industrial Property Rights

In 2024, patent workshops were held at the Teknorot R&D Center with five separate groups composed of engineers and technicians (Z Link, Control Arm, Sheet Metal Control Arm, Ball Joint– Tie Rod End, and Bushing). Through these workshops, more than 60 ideas with patent potential were developed.

Patent Applications:



Thus, the total number of patents has exceeded.

80



Turquality

Founded in 1992 with 100% domestic capital, Teknorot focused on the production of suspension and steering components in the automotive aftermarket sector and quickly became both a leader in Türkiye and one of Europe's largest independent aftermarket manufacturers.

Having established a strong position in both the aftermarket and OEM segments with product groups such as ball joints, tie rod ends, tie rods, control arms, stabilizer links (Z-rods), and bushings, Teknorot is a trusted supplier to global automotive manufacturers thanks to its high quality standards, engineering expertise, and long-term business partnerships.

In 2008, Teknorot commissioned its modern manufacturing facility in Düzce, significantly increasing its production capacity with this investment.



Automation systems and digital transformation projects at the core of its production infrastructure provide full traceability, advanced quality control mechanisms, and high efficiency across manufacturing processes.

Through digitalization investments carried out within the scope of the TURQUALITY Support Program, production lines have been integrated with AI-supported systems, automation levels have been increased, and processes have become more agile and sustainable.

Brand development and institutionalization initiatives hold a central place in Teknorot's growth strategy.

With Teknorot's inclusion in the TURQUALITY Program in 2022, comprehensive strategic transformations were implemented across marketing, R&D, logistics, and human resources.

As a result of this transformation, Teknorot's visibility in global markets was strengthened, and faster and more effective services began to be delivered to customers through logistics centers and offices located in Europe, the Americas, the Middle East, and the Far East.

Digital marketing activities have further increased Teknorot's brand awareness worldwide. Sustainability is an integral part of Teknorot's corporate strategy.

Through technological investments that enhance energy efficiency, initiatives aimed at reducing the carbon footprint, and robust waste management policies, environmental impact is being reduced and production processes are being shaped into a greener and more responsible structure.

Automation systems optimize resource utilization, improving production quality while making strong contributions to environmental sustainability goals.

Today, Teknorot is positioned as a reliable, innovative, and responsible player in the global automotive industry, supported by its innovative products in both OEM and aftermarket markets, advanced automation infrastructure, strong brand identity, and sustainable production vision.

For Teknorot, the TURQUALITY Program has not merely been a support mechanism, but a strategic roadmap carrying the brand into the future.

This visionary approach enables Teknorot to secure a lasting, strong, and sustainable position in global competition.



#ALWAYS AHEAD

GOVERNANCE

Our Corporate Approach

At Teknorot, our governance approach is positioned not merely as a mechanism to ensure legal compliance and risk control, but as a strategic structure that contributes to sustainable development. In this context, with the Official Sustainability Governance Document (Instruction T16-32, 2025), our sustainability approach has been integrated into the corporate structure, and roles, responsibilities, and operational processes have been systematically defined.

At the highest level of your sustainability efforts, the Sustainability Executive Committee, sponsored by the General Manager, ensures alignment between the company's long-term strategic objectives and its sustainability policies. Through regular meetings, the Committee evaluates risks and opportunities, sets strategic direction, and ensures accountability across the organizations.

The Sustainability Manager also holds the title of Corporate Communications Manager and carries out responsibilities with the qualification of a KGK-approved Sustainability Reporting Specialist. The manager's duties include integrating sustainability policies into all business processes, measuring and reporting performance, monitoring international developments, leading project groups, and preparing sustainability reports.

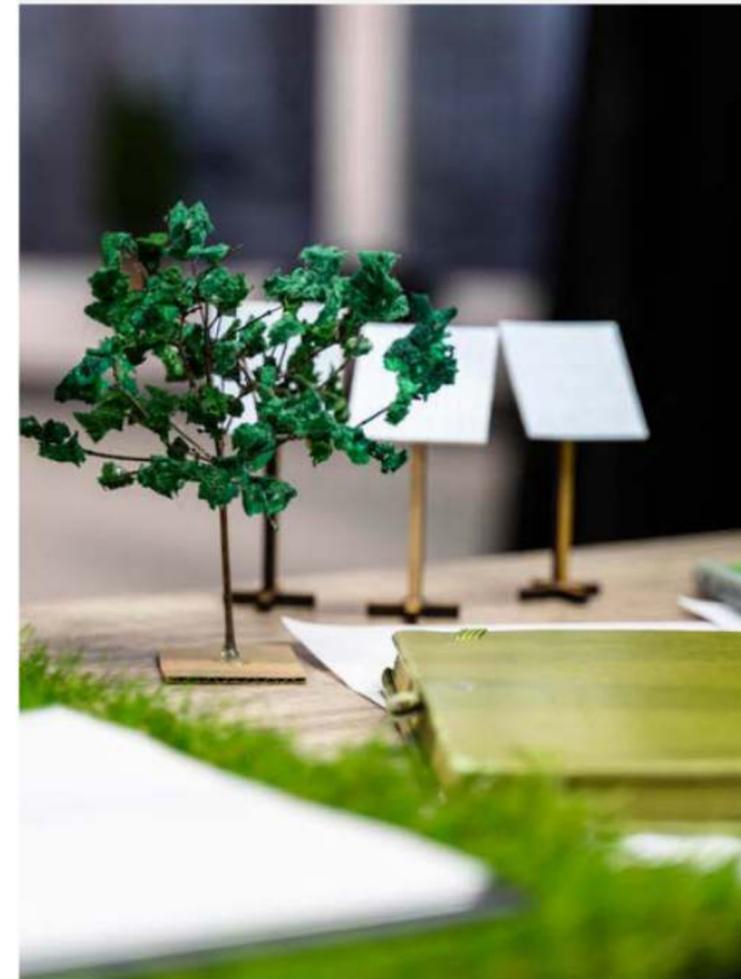
The Sustainability Committee forms a multidisciplinary structure with the participation of senior representatives from various functions, including production, quality, finance, human resources, legal, sales, operations, R&D, supply chain, and information technologies. The Committee ensures the implementation of strategies at the operational level, coordination between internal processes and field practices, and the dissemination of sustainability awareness across the entire organization.

The Working Groups affiliated with the Committee are composed of experts from different departments. These groups conduct detailed analyses on priority sustainability topics, implement project-based initiatives, and periodically present their outcomes at Committee meetings.

Through this structure, sustainability activities have moved beyond being a centrally managed topic and have become an integral part of the corporate culture through the active contribution of all business units.

Our sustainability governance system aims to create value across environmental (E), social (S), and governance (G) dimensions, operating in line with continuous improvement principles while taking into account the expectations of internal and external stakeholders.

This structure provides a solid foundation for integrating Teknorot's sustainability strategies into Daily operations, strengthening traceability, and securing the objective of long-term value creation.



Teknorot's Sustainability Vision

Teknorot's sustainability approach is shaped within a framework aligned with its corporate vision and mission. While aiming to be a globally trusted manufacturer in the automotive industry, the company embraces environmental, social, and governance responsibilities as an integral part of its business model.

This approach is not limited solely to compliance with legal requirements; it continuously expands in scope to include customer expectations, academic collaborations, and strategic decisions taken during regular committee meetings.

By embedding sustainability across its value chain, Teknorot adopts a more inclusive management approach, assumes visible leadership, and moves forward with confidence in this direction.

By integrating its expertise in steering and suspension systems manufacturing with a sustainability-driven perspective, Teknorot aims to create long-term value for future generations, with a strong focus on environmental responsibility and innovation.



Our Sustainability Strategy

In 2024, Teknorot's sustainability journey was launched through a comprehensive and systematic management approach.

The process began with a Kick-Off meeting, followed by current state analyses conducted with the participation of multiple departments, and field reports were shared with senior management.

Subsequently, a Sustainability Board consisting of 7 leaders and 17 members was established, and working groups were formed with representatives from critical functions such as Human Resources, R&D, Sales, Finance, Operations, Quality, and IT.



As a result, coordination and corporate ownership of sustainability topics were strengthened.

To promote sustainability awareness, training programs were organized, and the company's sustainability performance was measured using the Global BSAT assessment tool. This enabled a clear identification of strengths and areas for improvement.

To further raise awareness, a 100-word sustainability glossary was published, a dedicated sustainability section was launched on the company website, and ecological footprint applications were implemented for employees.

Subsequently, Impact Analysis Workshops (Pusula Method) were conducted to assess risks and opportunities across the dimensions of nature, economy, society, and well-being. As a result of these workshops, 44 action items were identified and distributed across six working groups: packaging waste, decarbonization, zero waste, social cohesion, communication, and talent management.

With the launch of the Sustainability Academy in June, training activities were institutionalized, and programs involving a large number of employees were delivered throughout the year.



During the summer months, stakeholder surveys were conducted, gathering feedback from thousands of participants to identify priority issues. Teknorot's sustainability strategy is built on a holistic approach that goes beyond compliance with environmental responsibilities and encompasses all external factors, including political, economic, social, technological, and environmental dimensions.

The company supports its goal of being a globally trusted automotive manufacturer by managing risks and leveraging opportunities across a broad spectrum, ranging from changing geopolitical dynamics and economic fluctuations to workforce trends and technological transformations.

In the political domain, key priorities include strengthening alternative supply networks in response to global trade tensions and regional crises, expanding local sales and logistics structures, and increasing brand visibility across diverse markets. Economic factors, despite challenges arising from high inflation, interest rate policies, and currency volatility, are balanced through strong financing resources, continued brand investments, and customer diversification.

The corporate risk analyses and ESG assessments conducted in 2024 further clarified our strategic priorities.

Environmental issues such as climate change, energy efficiency, and the protection of water resources have become key determinants not only of our operational processes but also of our long-term resilience. Accordingly, we focus on increasing energy and resource efficiency in our production processes, reducing waste and strengthening recovery, and expanding the adoption of circular economy principles.

Global competitive conditions, particularly pressures originating from the Far East, make efficiency and innovation an integral part of our strategy. Through our digitalization and automation investments, we aim to enhance our competitiveness while also strengthening transparency and traceability across our processes.

On the social dimension, employee well-being, occupational health and safety, diversity, and inclusion are at the core of our priorities. By fostering a safe, participatory, and development-oriented working environment, we seek to increase employee engagement.

In the governance domain, we strengthen our principles of transparency and accountability and integrate ethics-based decision-making mechanisms into all business processes. Within a framework of open communication and collaboration with our stakeholders, we regularly monitor and report our sustainability performance. Our strategies are designed in line with priority topics identified through stakeholder engagement and the United Nations Sustainable Development Goals (SDGs), and are shaped to align with our corporate objectives across environmental, social, and governance dimensions. At the end of each year, strategies are reviewed during Sustainability Committee meetings and updated when necessary.

Emerging social trends, particularly the growing demand for electric and autonomous vehicles, have become a strategic driver for Teknorot, guiding both product development and R&D investments. At the same time, challenges such as the shortage of qualified labor and changing demographic trends are addressed through strengthening the employer brand, vocational training collaborations, and inclusive human resources policies.

In the technological domain, investments in smart manufacturing systems, automation, and digitalization reduce production costs while increasing efficiency.

Developments in new material technologies, 3D printing applications, and hydrogen-powered vehicles open new avenues in Teknorot's journey toward innovation and sustainable manufacturing.

With regard to environmental factors, the use of renewable energy, reduction of carbon emissions, water efficiency, biodiversity protection, and compliance with CBAM regulations are key focus areas that both preserve the company's competitiveness and strengthen its position as a "green supplier."

Within this framework, as a member of the **United Nations Global Compact (UN Global Compact)**, Teknorot has reinforced its commitment to integrating universal principles related to human rights, labor standards, the environment, and anti-corruption into its business processes.

All of these elements demonstrate that Teknorot's sustainability strategy is shaped not only by environmental considerations, but also by economic resilience, social inclusiveness, and technological innovation.

By integrating this vision with its expertise in drivetrain component manufacturing, Teknorot presents a leadership model that transfers value to future generations.

As a result of these efforts, in 2024, the 2023 Sustainability Report and Executive Summary were published in line with GRI (Global Reporting Initiative) Standards, providing transparent and comprehensive information to our stakeholders. Through this report, Teknorot has continued to regularly share its sustainability performance within the framework of internationally recognized reporting standards. In addition, in order to reach a broader audience with our sustainability initiatives in 2024, a dedicated Sustainability section was established on our corporate website.



Communication with Our Stakeholders

For Teknorot, stakeholder communication continues to be one of the fundamental pillars of our sustainability strategy. The stakeholder survey and prioritization studies conducted in 2023 served as an important reference point in shaping our sustainability roadmap.

Although no new stakeholder survey was conducted in 2024, priority topics were reassessed in line with strong customer demands, supply chain collaborations, and global regulatory processes, and our documentation was systematically updated. In particular, the compliance process with the European Union Deforestation Regulation (EUDR), our efforts to enhance transparency and traceability across the supply chain, and the implementation of our decarbonization strategy constituted the key strategic focus areas of the year.

Within this scope, direct collaborations with our stakeholders, customer feedback, supplier evaluations, and regulatory requirements have guided our strategic decision making processes.

The priority topics shaping our efforts are as follows:

- **Supply chain transparency and traceability within the scope of the EUDR compliance process,**
- **Reduction of carbon emissions and energy efficiency projects as part of our decarbonization strategy,**
- **Development of sustainable products and processes that respond to customer expectations,**
- **Responsible raw material use and the strengthening of supplier collaborations.**

Teknorot continues to address stakeholder expectations in alignment with the global sustainability agenda and to manage priority topics within a strategic framework. Accordingly, throughout 2024, our sustainability efforts were built on an approach that both ensures regulatory compliance and creates shared value with our stakeholders.



Our Materiality Approach

For Teknorot, stakeholder engagement and the assessment of stakeholder expectations continue to be one of the fundamental pillars of its sustainability strategy.

However, unlike previous years, no formal stakeholder survey or materiality assessment was conducted in 2024. Instead, strategic priorities were updated throughout the year in line with intensive requests from customers and business partners, evolving regulations, and the global dynamics of the industry.

As of 2024, Teknorot's sustainability strategy has focused not only on reducing environmental impacts, but also on meeting stakeholder expectations, strengthening supplier relationships, and proactively managing compliance with international regulations.

Accordingly, materiality topics were redefined under the headings of supply chain compliance, climate and energy management, decarbonization, circular economy, and transparent reporting.

This approach is built on a model in which stakeholder feedback is integrated into strategic decision-making, continuously evaluated through regular communication channels, and dynamically updated in response to changing conditions.

The 23 materiality topics identified in 2023 were maintained within the same framework in 2024, while being further strengthened through ongoing initiatives and reinterpreted in line with customer demands and regulatory requirements. In this way, Teknorot continues to transparently share its sustainability performance with stakeholders and clearly identify areas for improvement.

2023 Material Topic List

- [Emissions Management and Decarbonization](#)
- [Reduction of Packaging Waste](#)
- [Circular Business Models](#)
- [Sustainable Business Models](#)
- [Water Management](#)
- [Biodiversity Entrepreneurship and Business Partnerships](#)
- [Inclusive Human Resources](#)
- [Social Contribution](#)
- [Talent Management](#)
- [Occupational Health and Safety](#)
- [Human Rights](#)
- [Employee Feedback](#)
- [Effective Corporate Governance](#)
- [Competitive Behavior](#)

- [Anti-Corruption and Anti-Bribery](#)
- [Regulatory Compliance and Monitoring](#)
- [Inclusive Value Chain](#)
- [Green Procurement](#)
- [Digital Transformation and Innovation](#)
- [Customer Focus and Experience](#)
- [Information and Data Security](#)
- [Sustainable Finance](#)



Our High-Priority Focus Areas

- Emissions Management and Decarbonization Across All Our Processes
- Process Improvement for the Reduction of Packaging Waste
- Resource Management Through Circular Business Models
- Water Management
- Talent Management
- Occupational Health and Safety
- Human Rights
- Employee Feedback
- Combating Corruption and Bribery
- Information and Data Security



As of 2024, Teknorot's sustainability strategy has been built on the systematic analysis of risks and opportunities arising from environmental factors.

SWOT and TOWS assessments conducted on topics such as renewable energy, climate legislation, biodiversity, water management, and CBAM not only identified operational risks, but also served as key guidance in defining long-term strategic priorities.

As a result of these analyses, accelerating carbon reduction investments, prioritizing water and energy efficiency projects, developing alternative raw materials within the scope of deforestation, and increasing collaborations aimed at biodiversity conservation have been placed at the core of Teknorot's sustainability roadmap.



Teknorot's Sustainability Risks And Opportunities

Teknorot's sustainability strategy is based on a holistic perspective that goes beyond environmental compliance and encompasses all external factors, including political, economic, social, technological, and environmental dimensions.

This approach enhances resilience under global competitive conditions while placing risk management and opportunity identification at the core of our strategic roadmap.

The corporate risk and opportunity assessment conducted has served as a critical tool supporting our sustainability strategy. Through this analysis, time horizons (short-, medium-, and long-term) and the distinction between climate-related risks and opportunities were integrated, enabling our strategic priorities to become more visible, actionable, and effective.

In the short term (0–2 years), urgent operational risks such as currency fluctuations, raw material price volatility, labor challenges, employee turnover, and occupational health and safety are prioritized. During this period, our focus is on alternative supplier management, financial hedging methods, strengthening OHS systems, and rapid adaptation solutions to maintain customer satisfaction. While ensuring operational continuity, new customer acquisition and strengthening the employer brand emerge as key short-term opportunities.

In the medium term (3–5 years), technological transformation, adaptation to electric and autonomous vehicles, diversification of the supply chain, compliance with regulatory frameworks (such as the Climate Law and Water Efficiency regulations), and workforce development become critical. At this stage, R&D investments, new product development, local collaborations, digitalization, and training programs help mitigate risks, while creating opportunities to enter the market with innovative products, improve operational efficiency, and enhance competitiveness through inclusive workforce policies.

In the long term (5 years and beyond), sustainability and regulatory pressures—such as the European Green Deal, CBAM, and carbon neutrality targets—as well as climate-related risks (energy transition and declining water resources) and global market leadership ambitions become decisive. Within this framework, our priorities include green transformation investments, carbon and energy efficiency projects, the use of alternative materials, and access to green financing instruments. Through these investments, long-term risks will be transformed into opportunities, enabling low-carbon production, transparent sustainability reporting, and the achievement of a “preferred supplier” position in the EU market.

The climate risk and opportunity analysis has outlined strategic actions to manage both physical risks (increasing energy costs, extreme weather events, water scarcity) and transition risks (stricter regulations, evolving customer expectations, and carbon footprint pressures). Accordingly, renewable energy, resilient logistics infrastructure, water efficiency technologies, and low-carbon production projects have been identified not only as risk mitigation measures, but also as opportunity areas that provide long-term competitive advantage.

In conclusion, by integrating its sustainability strategy with risk–opportunity management, Teknorot aims to ensure operational security and financial resilience in the short term, technological alignment and workforce development in the medium term, and green transformation and global market leadership in the long term. This approach serves not only today's business needs, but also Teknorot's vision of creating value to be passed on to future generations.



MEMBERSHIPS

The Company's corporate memberships are as follows:

- Istanbul Chamber of Commerce (ICC)



- Istanbul Chamber of Industry (ICI)



- Düzce Chamber of Commerce and Industry



- Bursa Chamber of Commerce and Industry



- Uludağ Exporters' Associations (UEA)



- People Management Association of Türkiye (PERYÖN)



- Corporate Communications Association (KİD)



- Turkish Quality Association (KalDer)



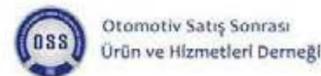
- Automotive Suppliers Association of Türkiye (TAYSAD)



- Supreme Council of Organized Industrial Zones of Türkiye (OSBÜK)



- Automotive Aftermarket Products and Services Association (OSS)



- Automotive Distributors Association (ODD)



- Automotive Technologies Platform (OTEP)



- Family Business Association (TAİDER)



- UN Global Compact



- Ethics and Reputation Society (TEİD)



- Sustainable Mobility Initiative Association (SMİ)



Awards

The year 2024 has been one in which Teknorot's sustainability efforts became strongly visible not only within the organization but also among external stakeholders.

At the **Sustainable Business Awards 2024**, organized by the Sustainability Academy, Teknorot was shortlisted as a finalist in the "Women's Empowerment" category with the **"Women Leading in Düzce Industry Project."** Through this achievement, our initiatives supporting women's participation in the workforce at the regional level received national recognition.



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