TEKNOROT

STEERING & SUSPENSION PARTS

SUSTAINABLE SUPPLY CHAIN HANDBOOK

ALWAYS *ahead*

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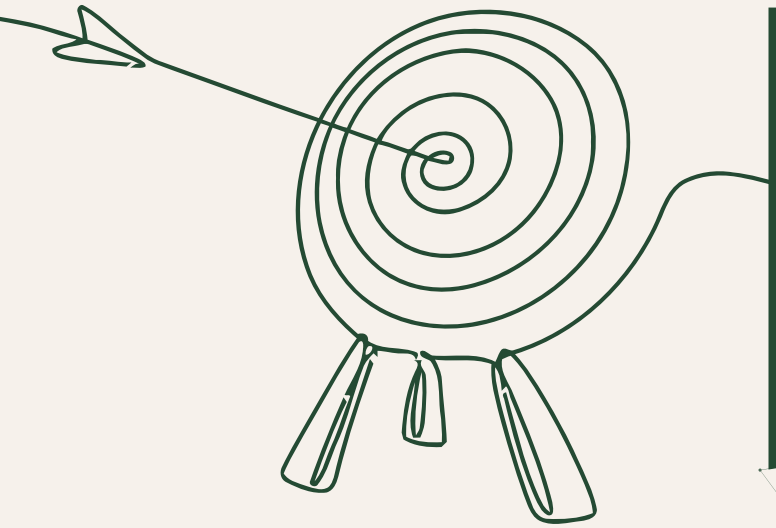
TEKNOROT
STEERING & SUSPENSION PARTS

ALWAYS ahead

1.0

PURPOSE AND SCOPE

At Teknorot, we view our suppliers not merely as business partners but as strategic allies in achieving our sustainability ambitions. This handbook defines our expectations in a structured manner within the framework of Environmental, Social, and Governance (ESG) responsibilities. Our supply chain activities are guided by compliance with regulations, ethical business conduct, reducing environmental impacts, and fostering social responsibility. We adopt a transparent, traceable, and continuously improving approach. This document serves as a roadmap for our shared sustainability journey and emphasizes the need for active collaboration across the value chain.



Suppliers are expected to complete the annual Sustainability Assessment Survey, address any identified non-conformities through corrective actions, and integrate these improvements into their corporate sustainability performance.

2.0

TEKNOROT'S SUSTAINABILITY VISION AND STRATEGIC COMMITMENTS

#OURMOTTO Being Sustainable Requires #AlwaysBeingAhead.

SUSTAINABILITY IN TEKNOROT

As Teknorot progresses towards sustainable success, we align our operations with ESG principles, comply with all relevant regulations, and embrace innovative solutions. This commitment strengthens our position as a global production hub while maintaining our vision of being #AlwaysAhead.

We have adopted the UN Sustainable Development Goals (SDGs) as a guiding framework. Our sustainability strategy is built on three pillars: Environmental, Social, and Governance, ensuring a holistic approach for all stakeholders. These principles reflect our determination and voluntary commitment to sustainability.

Our Sustainability Principles

- We take action to minimize our footprint.
- We drive positive impact across our operations.
- We invest in innovation to stay ahead.

Guided by these principles, we strive to balance business success with the responsibility to leave a better world for future generations.
Our Sustainability High Board oversees the alignment of operational processes with these values, ensuring we fulfill our responsibilities to stakeholders—a core belief since our inception.

3.0 TEKNOROT STRATEGIC GOALS

Teknorot employs a balanced and comprehensive strategy spanning customer satisfaction, employee engagement, operational excellence, and financial performance. By focusing on customer-centricity, we aim to maintain a strong presence in global markets with an extensive product range and reliable delivery capabilities.
Our employees are regarded as one of our most valuable assets. Commitment, development-focused practices, and a work-life balance foster a productive and fulfilling workplace.
Operational priorities include advancing digitalization, technology integration, and innovation to strengthen competitiveness. Financial strategies focus on sustainable growth, reinforcing our market presence, and delivering lasting value in the global arena.

4.0

TERMS AND DEFINITIONS

Refer to the detailed glossary

https://online.fliphtml5.com/rxpec/mfup

5.0

SUSTAINABILITY IN THE SUPPLY CHAIN

Teknorot has developed multi-faceted strategies and initiatives as part of its sustainability journey. Active engagement of supplier partners is vital for achieving ESG goals. This handbook aims to foster shared responsibility, enabling sustainability practices across the entire value chain.

a. GOVERNANCE

Establishing a Management Team

Suppliers are encouraged to establish dedicated sustainability teams or committees to systematically manage ESG performance, integrate sustainability targets organization-wide, and ensure compliance with national and international regulations.

Teknorot has established a structured Sustainability Committee led by senior management. This committee ensures transparent and timely handling of customer requirements and supports continuous improvement initiatives. Suppliers are expected to adopt similar governance mechanisms to align with a holistic sustainability approach.

Policy and Strategy Development

Implementing sustainability-focused policies and strategies ensures corporate goals align with ESG principles and supports risk management, performance tracking, and stakeholder responsiveness.
Teknorot shares its sustainability policies and reports on its corporate website, reinforcing its commitment to transparency.

Information Security

Information security within Teknorot is structured within the framework of the ISO/IEC 27001 Information Security Management System standard in order to protect corporate assets, ensure business continuity and secure stakeholder trust. The system is implemented at both operational and governance levels, covering risk-based approaches, access controls, data integrity and authorization processes. In order to maintain supplier relations within this system integrity, it is recommended that equivalent structures related to information security be established in supplier organizations; it is recommended that ISO/IEC 27001-compatible applications are adopted, especially in personal data protection, protection of trade secrets, cyber security and system access processes.

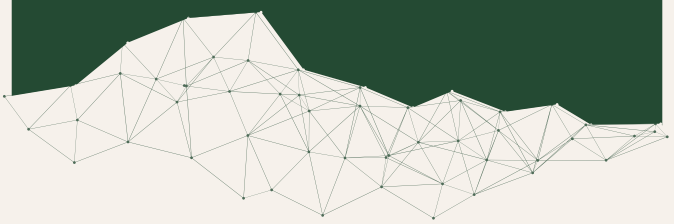
b. ENVIRONMENT

Within the scope of sustainability, the concept of environment is one of the basic governance elements and includes systematic processes for resource efficiency, emission control, waste management and environmental risk reduction. Effective management of this dimension is critical for ensuring legal compliance, combating climate change and continuously improving corporate environmental performance.

Environmental Management

Establishing an environmental management system within the scope of sustainability in the automotive sector is a critical requirement in terms of systematically controlling environmental impacts such as energy-intensive production processes, raw material use, waste generation and emission release. Environmental management systems based on international standards such as ISO 14001 provide operational applicability to ensure compliance with legal regulations, meet customer supply chain expectations and increase sectoral competitiveness. In addition, it offers continuous improvement opportunities in areas such as emission reduction, resource efficiency and environmental risk management. In line with environmental sustainability strategies, Teknorot has systematically structured its environmental management structure by taking the ISO 14001 Environmental Management System standard as a reference; within the framework of this structure, it has implemented practices aimed at reducing its environmental impacts and continuously improving its performance.

Teknorot believes that the spread of this approach throughout the value chain is of strategic importance in terms of environmental sustainability. In this regard, it expects its suppliers to implement similar environmental management practices and aims to contribute to the establishment of an effective environmental management system throughout the entire value chain.



Alignment with Climate and Environmental Goals

Within the scope of sustainability, compliance with climate and environmental targets is critical for meeting legal requirements, reducing emissions, increasing resource efficiency and managing environmental risks. This compliance is a fundamental requirement for reducing environmental impact, especially in the automotive sector, and ensuring sustainability across the value chain. Within the scope of compliance with climate and environmental targets, measuring, monitoring and reporting greenhouse gas emissions is one of the fundamental criteria for assessing environmental performance, ensuring legal compliance and implementing carbon reduction strategies. Within this scope, businesses need to define Scope 1, Scope 2 and Scope 3 emissions, calculate them according to appropriate methodologies and report them with verifiable data sets

Scope 1

Direct Emissions

It covers greenhouse gas emissions from sources that the company directly owns or controls (facilities, vehicles, equipment, etc.). These emissions are directly caused by the company's activities and can be managed by the business.
Examples:

- CO_2 emissions resulting from the reaction between limestone and ore in metal production.
- Emissions resulting from the combustion of natural gas during the operation of the central steam boiler in the production facility.
- CO_2 released into the atmosphere by the diesel truck used in logistics operations during transportation activities.
- Emissions resulting from the operation of the generator that meets the factory's backup energy needs during a power outage.

Scope 2

Indirect Energy Emissions

Indirect emissions resulting from the production of purchased energy that the company does not directly produce but consumes.
Examples:

- Emissions resulting from electricity used in the company's offices or factories being produced by fossil fuels (coal, natural gas) in the national electricity grid
- Emissions resulting from purchased steam being produced in a facility outside the company that uses fossil fuels
- Greenhouse gas emissions resulting from the production of heat energy from the central heating system

Scope 3

Other Indirect Emissions

Emissions that occur throughout the company's supply chain, service providers, customers and product lifecycle due to the company's activities, but are not under the company's direct control.
Examples:

- Emissions from the production processes of raw materials (e.g. steel, plastic) produced by suppliers
- Emissions from trucks or ships used in the process of transporting products from the factory to the customer
- Emissions from employees traveling by plane or train for business purposes
- Indirect emissions from the activities of subcontractor personnel working on services such as outsourced cleaning and security of offices
- Indirect greenhouse gas emissions from fuels (gasoline, diesel, CNG, etc.) consumed by customers of passenger or commercial vehicles sold by the automotive manufacturer during their lifetime
- Emissions from the disposal or recycling process of products at the end of their life

Teknorot has completed greenhouse gas emission measurements within the scope of compliance with climate and environmental targets and has developed reduction-focused projects accordingly. In the projects carried out in line with the low-carbon product development strategy, it is aimed to evaluate process-based emission reduction opportunities in cooperation with suppliers. In this context, compliance with the regulations within the scope of CBAM-Border Carbon Adjustment Mechanism (EU Border Carbon Adjustment Mechanism) and European Green Deal (Green Deal) throughout the supply chain is considered as a priority application area.

Teknorot believes that integrating emission reduction and climate change combat approaches into the entire value chain is of strategic importance in terms of building a sustainable future that is resilient to climate risks. In this regard, it expects its suppliers to adopt practices for monitoring, reporting and reducing greenhouse gas emissions and aims to contribute to the dissemination of climate-friendly practices throughout the value chain.

Energy Efficiency

Energy efficiency is a critical sustainability tool in terms of reducing environmental impacts resulting from high energy-intensive production processes, cost optimization and reducing carbon emissions. Efficient energy management provides both legal compliance and competitive advantage, while playing a key role in achieving low-carbon production targets. In line with its sustainable management approach, Teknorot implements the ISO 50001 Energy Management System standard and carries out the relevant processes under a systematic structure in order to continuously improve energy performance, increase resource efficiency and reduce environmental impacts.

"Teknorot believes that the dissemination of energy efficiency and sustainable energy use practices throughout the value chain is of strategic importance in terms of both reducing environmental impacts and increasing operational efficiency. In this regard, it expects its suppliers to adopt energy management systems, implement practices to monitor and reduce energy consumption, and aims to contribute to increasing energy efficiency throughout the entire value chain."

Water Management

Teknorot implements water efficiency-focused projects in its operational processes in order to reduce water consumption and increase recycling rates; it manages the effective and controlled use of water within a systematic structure. The implemented water reduction projects not only save water in production processes, but also increase resource use efficiency through recycling and reduce environmental impacts.
In this context, Teknorot regularly monitors its water footprint, improves its environmental performance and takes steps to manage water resources in line with sustainability principles.
In addition, full compliance with current national water legislation and environmental regulations is ensured; the monitoring of relevant legal obligations is integrated into the corporate water management system.

Teknorot believes that the adoption of effective water management practices throughout the value chain is of strategic importance for the protection and sustainable use of water resources. In this regard, it expects its suppliers to implement practices for monitoring, reducing and recovering water consumption and aims to contribute to the strengthening of water management processes throughout the entire value chain.

Responsible Sourcing

It is a supply chain approach that aims to provide raw materials from ethical and traceable sources, while minimizing their environmental impact. This approach plays a key role in the sustainable use of natural resources, the protection of biodiversity, the prevention of human rights violations and the transition to a circular economy.

- REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals); Uygunluk Beyanı (REACH Regulation - European Commission)

REACH is a chemical management regulation implemented by the European Union to control the effects of chemicals on human health and the environment. In this context, Teknorot implements the following practices for its customers in order to comply with REACH requirements. In line with the same approach, it is envisaged that supplier companies will define and implement similar REACH compliance processes in order to ensure supply chain continuity.

- Chemical content information should be collected and communicated.
- The presence of SVHC (substances of very high concern) should be questioned and reported if over 0.1%.
- Current SDS (Safety Data Sheets) should be obtained and shared.
- REACH compliance declaration should be obtained from suppliers.
- Supply of unregistered substances should be discontinued.

- RoHS Declaration of Conformity (RoHS Directive - European Commission)

RoHS (Restriction of Hazardous Substances) is a European Union directive restricting the use of certain hazardous substances in electronic and electrical equipment. The aim is to protect human health and reduce the release of harmful substances into the environment.
In case of supplying electrical/electronic equipment, Teknorot expects its suppliers to provide declaration of conformity, technical reports and test results when necessary, documenting that the supplied products and components are fully compliant with the EU RoHS Directives (2011/65/EU and 2015/863/EU). In this context, the provision of products with harmful substance content below legal limits and the assurance of traceability throughout the value chain are basic requirements.
Substances to be monitored within the scope of RoHs are defined as; Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent Chromium (Cr^{6+}), Cadmium (Cd), PBB, PBDE (flame retardant) and DEHP, BBP, DBP, DIBP (phthalates).

- Conflict Minerals (Conflict Minerals Regulation)

Conflict minerals are raw materials extracted from areas associated with human rights violations, used in financing armed conflicts, and where forced labor and human rights violations are common. In this context, four key minerals, Tantalum (Ta), Tin (Sn), Tungsten (W) and Gold (Au), are collectively referred to as "3TG" and are particularly heavily mined in the Democratic Republic of the Congo (DRC) and surrounding high-risk areas.
Teknorot acts in compliance with regulations regarding conflict minerals and ensures transparency that the products it supplies are supplied from responsible and traceable sources. In line with the same approach, it is anticipated that supplier companies will adopt and implement similar conflict-free supply policies in order to ensure value chain continuity and legal compliance.

·EU Regulation on Deforestation-free Products (EUDR) (EUDR | Forest Stewardship Council

European Union Preventing deforestation is a critical issue that directly triggers environmental risks such as climate change, biodiversity loss, disruption of the water cycle and soil erosion. In terms of sustainability, the protection of forests is vital for maintaining carbon sink capacity, continuity of ecosystem services and protection of natural habitats.
For organisations, preventing deforestation is a strategic imperative for responsible supply chain management, biodiversity risk reduction, alignment with climate goals and compliance with legal and voluntary standards (e.g. NDPE, FSC, ESRS E4). (**Regulation on Deforestation-free products - European Commission**

Within the framework of its sustainability strategy, Teknorot considers responsible material supply and deforestation as a critical environmental risk and takes concrete steps to prevent this risk in the supply chain. In raw material supply, it adopts the principle of avoiding sources that may lead to forest destruction; in this direction, it prefers sources with sustainable forest management certificates such as FSC (Forest Stewardship Council). At the same time, it expects its suppliers to act with environmental responsibility awareness to protect nature and prevent deforestation. With this approach, Teknorot aims to both contribute to the protection of ecosystems and to ensure long-term sustainability.

Chemical Substances Management

Chemical substance management is a critical component of sustainability in terms of protecting human health and the environment, legal compliance and reducing corporate risks. Environmental impacts are minimized, and chemical regulations are complied with by controlling harmful substances. Operational sustainability is supported by reducing waste generation and occupational health risks, while traceability and product safety are ensured throughout the supply chain.

Within the scope of sustainable chemical management approach, Teknorot creates an inventory of all chemical substances, defines hazard classifications together with Safety Data Sheets (SDS) and Chemical Registration Numbers (CAS), and applies transportation, labeling and storage conditions in accordance with the relevant legislation. In this direction, all requirements are systematically fulfilled both in operational processes and in the field of occupational health and safety.

Teknorot considers sustainable chemical management as a critical component in terms of protecting human health and the environment, ensuring legal compliance and reducing corporate risks. In this regard, it expects its suppliers to act in accordance with sustainability principles in their chemical substance management processes.

Waste Management

Reducing natural resource consumption is one of the fundamental components of sustainability in terms of preventing environmental pollution and transitioning to a circular economy. Reducing waste at source, reusing, recycling and proper disposal; both minimize environmental impact and play a critical role in terms of legal compliance and corporate responsibility.

Circular economy; this is a systems approach that aims to keep resources in the economic system for longer periods, minimize waste generation and recover material value. This model directly supports the environmental and economic dimensions of sustainability by reducing raw material consumption, reducing emissions and transforming waste into value-creating inputs. In addition, the circular economy enables long-term growth in line with climate goals through the restructuring of product design, production, consumption and recovery processes.

Teknorot systematically carries out the processes of storing, transporting, recovering and disposing of waste in line with the circular economy and waste management approach, in accordance with national and international legislation. By reducing the waste generated at the source and implementing recycling projects, raw material usage and waste amount are simultaneously reduced.

Teknorot believes that the adoption of waste management and circular economy principles throughout the value chain is of strategic importance in terms of efficient use of natural resources and reduction of environmental impacts. In this regard, it expects its suppliers to take concrete steps towards reducing waste at source, expanding recycling and reuse practices and adopting circular business models.

Biodiversity

This is the fundamental element that ensures the sustainability of ecosystem functioning, climate balance and natural resource cycles. Thanks to species diversity, genetic variation and ecosystem richness, nature can continuously provide services such as food, water, air, medicine and raw materials.

In the context of sustainability, the protection of biodiversity prevents the depletion of natural resources, increases ecosystem resilience and forms the basis for long-term socio-economic stability. Teknorot, considering the impacts of automotive production on nature, considers the protection of biodiversity in its areas of activity as part of its sustainability strategy. In this context; facility planning, execution in a way that does not harm habitats, considering the risk of deforestation and ecosystem destruction in raw material supply, managing waste and emissions in a way that does not harm soil and water ecosystems, water use, optimizing in a way that protects natural resources and biodiversity impacts, monitors within the framework of ISO 14001 Environmental Management System, ESRS (European Sustainability Reporting Standards) and TNFD (Taskforce on Nature-related Financial Disclosures) and includes all international developments in risk studies within the scope of sustainability.

Teknorot believes that the protection of biodiversity has strategic importance in terms of the sustainability of ecosystems and natural balance. In this regard, it sees it as a fundamental responsibility to avoid practices that may threaten biodiversity throughout the value chain and to adopt environmentally sensitive production and supply processes. It expects its suppliers to assess the impacts of their activities on ecosystems, take measures to prevent the destruction of natural habitats and implement practices that protect biodiversity.

c. SOCIAL

Establishing Ethical Rules and Principles of Conduct

Ethical rules are the foundation of the governance dimension of sustainability. Principles such as transparency, honesty and combating corruption increase the company's reliability, reduce legal risks and ensure sustainable relationships with stakeholders.

Teknorot strengthens its corporate commitment in this area by creating written policies and strategies within the scope of ethical rules, and also supports this approach at the corporate level with its membership in TEİD (Ethics and Reputation Association). The company adopts ethical principles that do not allow bribery, illegal payments and conflicts of interest under any circumstances and implements these policies in all stakeholder relations.

Teknorot sees employee feedback as a part of corporate development; it attaches importance to systematically collecting opinions and suggestions and addressing them through objective evaluation processes.

Teknorot sees ethical principles as a fundamental element of sustainability and aims to adopt this approach throughout the supply chain. It also expects its suppliers to show zero tolerance for unethical behavior and to create fair management processes that are open to employee feedback.

Duty of Care for Human Rights

Sustainability and supply chain due diligence refers to a company's responsibility to identify, prevent, mitigate and monitor environmental, social and human rights risks not only in its own activities but also throughout its supply chain. (Corporate Sustainability Due Diligence - CSDD)

The main purpose of this obligation is to identify violations and risks such as causing human rights and/or environmental damage, to take appropriate measures against these risks (e.g. creating improvement plans or requesting verifying documents from the supplier), to ensure continuous monitoring and transparent reporting, and to establish effective communication and feedback mechanisms with stakeholders. This approach supports the establishment of ethical, responsible and long-term relationships throughout the entire value chain, as well as

strengthening the sustainability performance of companies.
The duty of care for human rights is the responsibility of companies to prevent, detect and remediate human rights violations that may arise directly or indirectly from their activities. This obligation forms the basis of social sustainability and covers areas such as job security, fair working conditions, combating discrimination, preventing child labour and forced labour.
In line with its sustainability approach, Teknorot adopts respect for human rights as a fundamental corporate responsibility and follows a transparent roadmap in this context with cooperation with stakeholders such as TEİD (Ethics and Reputation Association) and system establishment processes such as social harmony.

Teknorot sees respect for human rights as an indispensable part of sustainability and aims to adopt this approach throughout the supply chain. It expects its suppliers to adopt clear policies against discrimination, forced labor, child labor and to provide fair and safe working conditions. Egalitarian and inclusive practices that respect human dignity form the basis of all Teknorot business relationships.

Diversity and Inclusion

Teknorot sees diversity and inclusiveness as the fundamental elements of the social dimension of sustainability and places these values at the center of its corporate policies. It aims to ensure that individuals with different ages, genders, ethnic origins, disabilities and other identity characteristics participate in business life with equal opportunities and take part in an inclusive working environment. This approach includes preventing discrimination, encouraging women's participation in the workforce, integrating individuals with disabilities into business life and inclusive leadership practices. Diversity in terms of corporate sustainability increases innovation, strengthens organizational flexibility and supports stakeholder trust.
Teknorot aims to provide an equal, safe and fair working environment for all its employees based on the principle of equality in line with its Human Resources philosophy. By adopting the principle of suitability for the job as the sole criterion in employment, it provides equal opportunities to all candidates without discrimination. Acting with the policy of equal pay for equal work, Teknorot establishes and implements the necessary mechanisms for its employees to benefit equally from education and career opportunities. By giving each individual the right to speak in internal company meetings, it believes that every piece of information shared is valuable. By taking care to include women employees at all levels, including the executive board, it aims to inspire the sector with this policy. In addition, it creates working environments and practices that protect work-life balance and announces its achievements regarding equal opportunities through transparent policies and internal and external communication channels. It develops equality at every opportunity through social initiatives and advocacy and creates a leadership team within the institution to follow up on the issues included in this declaration and acts as a mentor to different companies with its experiences.
Our HR Philosophy | Teknorot

Teknorot believes that diversity and equality are fundamental elements of corporate development in terms of sustainability. It expects its suppliers to adopt fair and inclusive practices in recruitment, compensation, promotion and working conditions without discrimination based on gender, age, ethnicity, disability or belief. A respectful and inclusive business culture based on equal opportunities is the basis of Teknorot's relationships with all its stakeholders.

Health & Safety and Working Conditions

Health&safety and appropriate working conditions, along with a fair and inclusive work environment, are among the fundamental building blocks of the social dimension of sustainability. A safe and healthy working environment not only improves employee well-being, but also supports productivity and ensures business continuity.
Teknorot positions occupational health and safety as a key priority of its sustainability strategy in line with its ISO 45001 Health and Safety Management System certificate. The company is committed to providing healthy, safe and fair working conditions for all its employees; in this context, it implements proactive practices by adhering to the principle of continuous improvement with a risk-based approach.

This approach:

- Prevents work accidents and occupational diseases,
- Increases employee well-being and satisfaction,
- Fulfills legal and ethical responsibilities
- Establishes and manages emergency management

Teknorot aims to achieve full compliance with national and international legislation by continuously improving its occupational health and safety (HSE) processes; it attaches importance to adopting the same meticulous approach throughout the supply chain. In this direction, it expects its suppliers to create safe, healthy and risk-minimizing working environments and to continuously improve their HSE practices.

Training

Teknorot sees education as a strategic tool in achieving its sustainability goals and aims to increase the awareness of its employees in this area. **The Sustainability Academy**, which was implemented in this direction, aims not only to support the development of knowledge and competence within the company, but also to contribute to the dissemination of sustainability awareness in the connected value chain.
With regular training on topics such as environment, occupational safety, ethics, human rights and sustainable supply;

- Employees' knowledge level is increased,
- Sense of responsibility is developed,
- Sustainability culture is spread within the organization.

Teknorot aims to increase awareness and strengthen sustainability awareness throughout the value chain by carrying its sustainability approach to its suppliers and business partners. In this context, it is aimed to create a common understanding and application ground on environmental, social and governance issues through training and information activities for suppliers.

Social Cohesion

Work-life balance is an important element in the human and social dimensions of sustainability. In this context, paying fair wages to employees, fully implementing leave rights and providing social rights are fundamental practices that support both employee well-being and corporate loyalty.

Teknorot considers the adoption of the social compliance approach not only within its own organization but also throughout the entire supply chain, and the dissemination of work environments that are respectful of human rights, based on ethical principles and inclusive as a strategic necessity. In this regard, it expects its suppliers to take a stance against discrimination, provide equal opportunities and implement practices that support social inclusion.

TO CREATE VALUE TOGETHER...

Teknorot carries out its journey to achieve sustainability goals not only within its own borders but also together with its stakeholders throughout the entire value chain. Teknorot sees its suppliers as strategic business partners and bases itself on a culture of cooperation based on mutual trust and strengthened by ethical, environmental and social responsibilities.

This handbook aims to systematically present Teknorot's sustainable supply chain approach, its expectations from its stakeholders and the values built together. Our aim is to create an ecosystem that shares responsibility not only for today but also for the future. Acting on the principle of "existing together, developing together and always being ahead", Teknorot invites all its suppliers to be an active part of this transformation.

This document has been prepared for informational purposes only and is not legally binding. It may be updated regularly in line with environmental, social and governance developments in the supply chain. You can follow us on all our social media accounts and our website for current practices and policies.

TEKNOROT
STEERING & SUSPENSION PARTS

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