

Sustainability Report

2022





SIO AUTOMOTIVE TAŞIT YEDEK PARÇA SAN. VE TİC. A.Ş.

Ergene 2 OSB 207.Sokak No:30-32/1 Ergene/Tekirdağ

www.sio-automotive.com

We were deeply shaken by the earthquake disaster our country experienced during the preparation process of our report. Starting from the first day of the disaster, we provided support with our all means to the earthquake-affected region with all our resources and delivered essential materials to the local community.

We collaborated with Hatay Defne Women's Cooperative to help women producers sustain their businesses.

To contribute in improving the psychosocial well-being of our children negatively impacted by the earthquake, we partnered with Samandağ Municipality and set up play tents as "SIO Automotive Volunteers."

May it never happen again...



About the Report

OUR FIRST SUSTAINABILITY REPORT

We are excited and pleased to have detected the best sustainability strategies for our business, our community, and our world, and share them with you in our first sustainability report!

This report summarizes the initial stages of SIO Automotive's sustainability journey, which gained momentum in the second half of 2022. It outlines the company's sustainability management approach, environmental, social, and governance performance, corporate capacity in relevant areas, and provides examples of best practices.

For more detailed information about our company and sustainability management, visit our website:

www.sio-automotive.com

This report has been prepared in accordance with the "GRI Reporting Standards - Core" indicators introduced by the "Global Reporting Initiative (GRI)." The report prepared in Turkish and English, was not subjected to independent external audit.

We hope that our report will be a source of inspiration for our suppliers, customers, and all stakeholders throughout our value chain to embark on their own sustainability journey. We more than welcome any requests for further information about our sustainability efforts, to convey your suggestions, or for cooperation opportunities:

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Şafak Altınkaya Doğru
Environment and Sustainability Coordinator

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FROM OUR CHAIRMAN OF THE BOARD

Dear Stakeholders,

Our Group's journey as an exporter began in 1958 and has transformed today into a success story, supplying high-quality products to 120 countries all around the world under our own brand.

SIO Automotive is an integral part of this responsible, reliable, and sustainable production approach that has been part of this half-century story.

In recent years, as we've experienced the striking effects of climate change and natural disasters due to rapid changes in natural resources; sustainability has become the most important issue for the business world and the shared future of humanity. The need to act together for our common future and sustainable development has never been more critical in human history. In all the investments of the Wulf Gartner Group, we prioritize sustainability management at every stage of our value chain. We implement our sustainability actions in harmony with the United Nations Sustainable Development Goals and integrate them with the respective global approaches.

For us, sustainability management means achieving economic, ecological, and social goals while maintaining a balance between humanity, the planet, and profit. With this approach, SIO Automotive's highly qualified workforce, together with all our business partners and stakeholders, work together to create an efficient, innovative, economic, environmental, and socially value-generating company.

Our proactive approach at SIO Automotive towards environmental and social sustainability regulations in Germany, which is part of European Union and location of the Group's headquarters are located, provides us with a significant advantage in achieving full compliance with regulations.

We are proud and happy that SIO Automotive is releasing its first Sustainability Report. There's still a long road ahead of us. We have long-term goals such as making our operations more efficient, maintaining sustainability throughout our entire value chain, and reducing our environmental footprint for future generations.

With every passing day, we envision a better world and are working towards achieving it, as our sustainability tradition also offers us a more livable future...



We work with the passion to do the best for our customers and our world.

Dr. Karl J. GAERTNER
CHAIRMAN OF THE BOARD

MESSAGE FROM OUR SUSTAINABILITY LEADER

The well-being and future of humanity depend on the preservation of health, safety, natural resources, and climate. Leaving a livable world for future generations means being sustainable today.

Manufacturing robust and dependable automotive spare parts within SIO Automotive, just as we do across all brands within our group, embodies our commitment to sustainability. This commitment translates into the establishment of safer work environments characterized by reduced waste generation and the pursuit of the highest workplace standards.

Within Wulf Gaertner AG enterprises like MEYLE and SIO Automotive, we exemplify an inventive and forward-thinking stance on sustainability through initiatives like carbon footprint reduction, R&D endeavors, and the conscientious development of eco-friendly products.

Particularly within SIO Automotive, we are actively engaged in tackling critical issues such as climate change, promoting low-carbon circular economic models, pursuing the United Nations Sustainable Development Goals, and establishing sustainable supply chains.

We are charting our path to a sustainable future through the comprehensive sustainability framework we have crafted. We firmly believe that the journey towards sustainability thrives on collaborative endeavors. Our all-encompassing sustainability approach, grounded in this belief, has become an integral facet of our corporate identity and business model.

For us, sustainability transcends being a mere objective; it serves as the driving force that shapes our history, guides our present, and holds the key to a more habitable world in the future.



”
*Sustainability is the
impetus propelling our
mission to create a more
sustainable world.*

Florian GAERTNER
**MEYLE AG CORPORATE
RESPONSIBILITY MANAGER**

FROM THE CHAIRMAN OF THE SUSTAINABILITY COMMITTEE

Dear Stakeholders,

This report is very valuable for us as it is our first sustainability report. As a member of the Wulf Gaertner AG Group, I am confident that we will proudly share our work in line with our group's global sustainability goals with you, our valued employees, customers, business partners and suppliers in the future.

While we have been proudly examining the sustainability studies carried out for our employees and our environment since the day we were founded, we started training and studies with an international consultancy institution on sustainability in the middle of 2022. Based on the goals we have created to create more effective and comprehensive values, we have seen sustainability as a very important responsibility and have adopted it as one of the cornerstones of our future success.

At SIO Automotive, our vision is to be 'Smart, Innovative and Sustainable'. We have created our strategy and roadmap on these values. By adopting these values for change, development and transformation, we plan the future and shape our investments with the power of being a people-oriented company. In 2020, we established our innovation department and signed a strong cooperation with a consultant firm specializing in innovation. With the great contribution of this cooperation, we push our engineering boundaries and produce sustainable innovative solutions for "MEYLE" customers. Thanks to the projects developed by our automation department, which we established in 2021, we increased our production and quality, ensured sustainable efficiency and created a safer work environment for our employees.

Today, we see that the demand for new vehicles is rapidly shifting towards green solutions such as electric and hybrid, and we are closely watching the rise of this trend, especially in Europe and in our country. This transformation in our industry strengthens our determination to reduce carbon emissions as a parts manufacturer and leads us on the journey to sustainability. We are making exemplary progress in our industry by producing accurate insights about future risks and passionately keeping human rights, climate change, natural resources, supply chain sustainability and social benefit issues on our agenda.

I would like to thank all SIO Automotive employees, customers, business partners and suppliers for their support and contributions on this journey we set out to create sustainable values.



Being sustainable “for everyone” is at the core of our company culture.

Çağdaş DİNÇEL
GENERAL MANAGER



Şirin GÜNDÜZ
Quality Operator

OUR STORY

For 30 years, we have been dedicated to ensuring safe, comfortable, and sustainable automobile journeys.

YEAR OF ESTABLISHMENT

1991

NUMBER OF EMPLOYEES

465

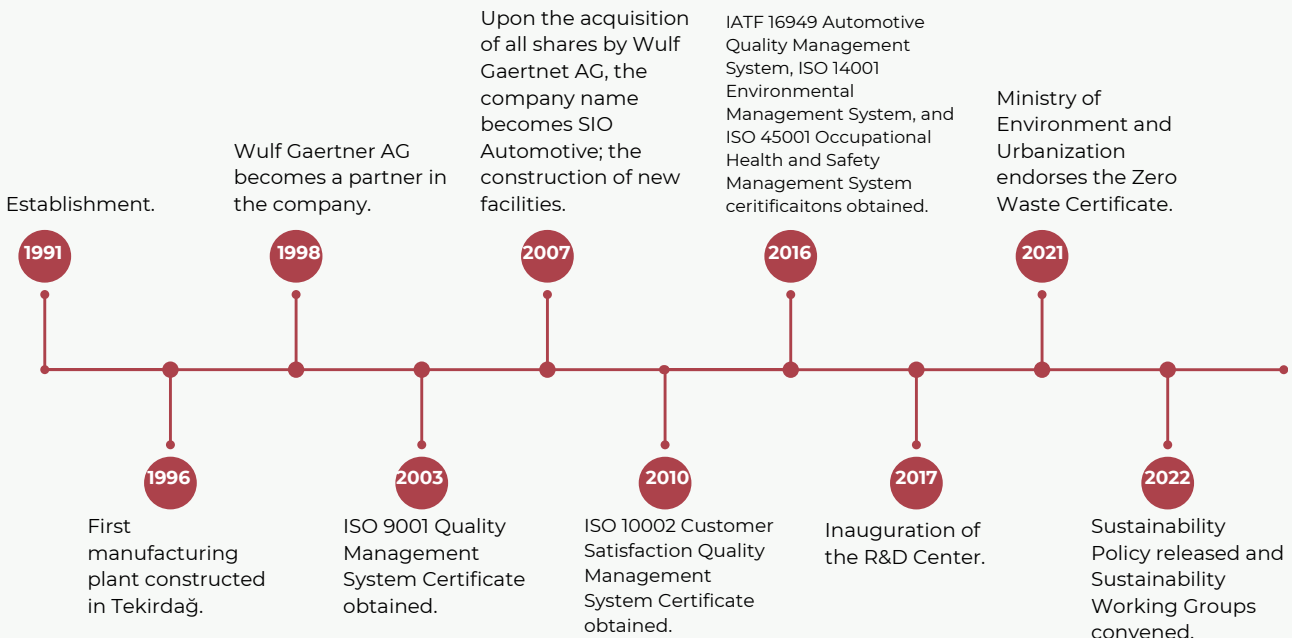
SIO Automotive was founded in Istanbul in 1991 as the first domestic enterprise in Turkey's automotive after-sales sector.

5 years after its establishment, it built its own production facility in Tekirdağ Çorlu and its first factory in its current campus.

SIO Automotive started its production cooperation with Wulf Gaertner Autoparts AG in 1998, becoming a partner and continuing its growth. Wulf Gaertner Autoparts AG, founded in Germany in 1958, purchased all shares in 2007 and expanded the capacity of the existing factory and production facilities with an investment of 25 million Euros.

Today, SIO Automotive has become a modern production facility with nearly five hundred employees, high-tech production lines, laboratories and R&D Center, whose products reach more than 100 countries in the world.

It is one of the leading players in its sector by proving its production, working environment and customer satisfaction quality to the world with its IATF 16949, ISO 14001, ISO 45001, ISO 10002, ISO 9001 certificates and Zero Waste Certificate.



WHY SUSTAINABILITY?

To comprehensively grasp the rationale behind our commitment to sustainability and to formulate a sustainability strategy that harmonizes with our business model, it is imperative to gain a precise understanding of genuine requirements.

This was a question we frequently asked ourselves at the beginning of this journey: "Why sustainability?"

In the second half of 2022, we began taking our first significant steps towards making sustainability management a more consolidated and direct corporate governance mechanism.

Even at the outset, we set a reporting target for our first year, aiming to enable our stakeholders to understand SIO Automotive's perspective on sustainability and approach through our report. One of the most important goals of our report was to enhance our sustainability communication and impact. Furthermore, we aimed for our report to serve as a guide to how we have designed the sustainability journey for our stakeholders.

We started our sustainability management journey by trying to gain a clear view of "why we should do this." We knew that our sustainability strategies would bring us new processes such as goals, new policies, projects, measurements, and more.

It was evident that we had a reasonably good performance in the field of sustainability, considering our achievements in terms of the environment, the high standard of quality at our workplace, which we had nearly perfected with our emphasis on people, and the innovation and R&D activities surrounding them. However, all of this needed to be managed with the right goals and methods for the future. You can find a summary of our work in these areas under the sections "Environmental" and "Social."

We realized that one of the most important ways to achieve this was the involvement of our employees in sustainability management from the very beginning, and we developed our organization accordingly. You can read about what we have done in terms of corporate capacity under the section "Governance."

At this point, now that we have managed to prepare a report, we also know that we have found many answers to the question "Why sustainability?"

We have identified the areas on which we should focus and discovered how to develop goals in our focus areas. Through this inaugural report, we are disseminating our collective experiences.



THE GLOBAL GOALS
For Sustainable Development

WHAT KIND OF SUSTAINABILITY?

We firmly believe that a meticulously crafted sustainability strategy serves as the linchpin for fostering positive outcomes across our business model, workforce, society, and the global community...

At SIO Automotive, we advocate for a sustainability approach that centers on evaluating risks and impacts, rather than relegating it to a mere tool for social responsibility or promotional purposes.

Within our organization, our employees regard sustainability management as an integral facet of our core business functions, irrespective of their specific roles.

To us, sustainability signifies the fulfillment of our commitments to our employees, society, and the world while maintaining our status as a profit-generating enterprise.

This encompasses the adept management of our environmental and social footprints, the precise design of governance mechanisms, the infusion of sustainability throughout all functions along our value chain, and the perpetual readiness and capability to manage risks effectively.

Our approach to addressing Environmental-Social-Governance (ESG) factors is holistic, encompassing a thorough examination of all elements pertaining to risk, opportunity, and impact within our corporate ecosystem.

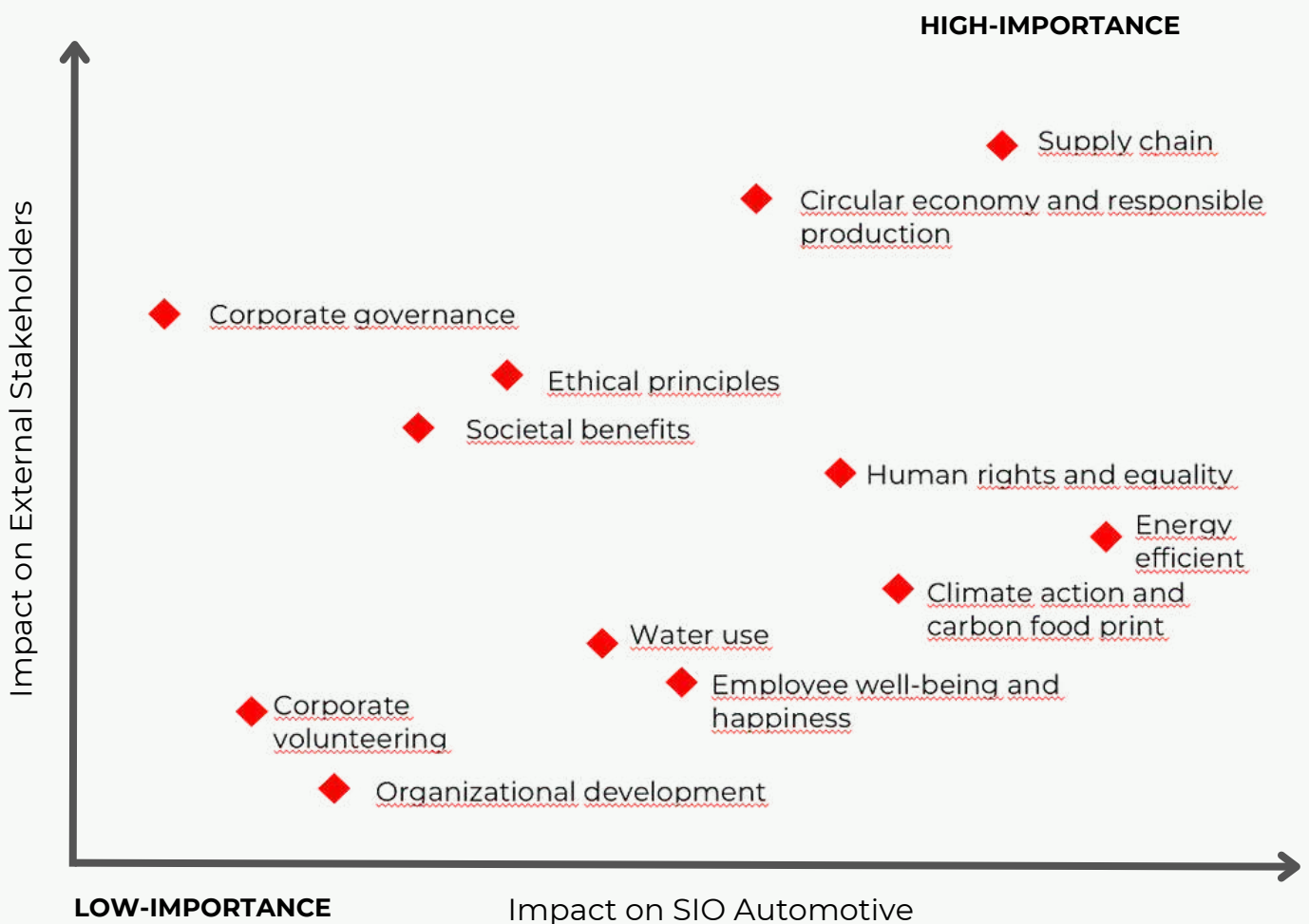
In essence, for SIO Automotive, sustainability embodies an ongoing journey characterized by its applicability to business models and processes, the establishment of pragmatic and traceable objectives, unwavering commitment to fostering benefits for both individuals and the planet, and alignment with global trends and initiatives, including the United Nations Sustainable Development Goals.



PRIORITIZATION MATRIX

When determining our sustainability priorities before deciding on our focus areas, we consider not only the issues that may affect our company's business model; We used the "double materiality" method, taking into account our impacts on our stakeholders, society and the world in terms of environmental, social and governance risks, and addressing our impacts and risks from the perspective of our stakeholders. With this method, we discussed the effects of environmental, social and managerial issues on the company, as well as the company's effects on these issues. When applying the double materiality method, we discussed the following components in detail:

- Sustainability context of the business model
- Actual/potential risks and impacts
- Severity and frequency ranking of effects
- Prioritization of risks and impacts



AREAS OF FOCUS

Our areas of focus are shaped by global challenges and trends that dictate the sustainability landscape. We have defined our areas of focus through a series of participatory prioritization exercises, utilizing a holistic approach encompassing the environmental, social, and governance pillars of sustainability in a way that benefits our business model, employees, society, and the world.



ENVIRONMENT

- Climate action and carbon footprint
- Circular economy and responsible production
- Energy yield
- Water use

SOCIAL

- Human rights and equality
- Employee well-being and happiness
- Corporate volunteerism
- Societal benefits



GOVERNANCE

- Corporate governance
- Organizational development
- Supply chain
- Ethical principles

OUR ROADMAP (2022-2023)

For us, sustainability involves focusing on long-term result-oriented business strategies, objectives, and processes. Hence, when charting our roadmap, we concentrated on the environmental, social, and governance impacts of our business model alongside the business strategies, targets, processes associated risks.

Needs, Strategy, and Goals - Q2, 2022

01

Utilizing participatory methods and importance analyses, we identified sustainability requirements that could integrate with our business model's goals and processes. These requirements are aligned with regulations, global trends, and stakeholder expectations.

Organization and Corporate Capacity - Q3, 2022

02

To identify projects aligned with our sustainability strategies and objectives, we initiated training, capacity building, and organizational efforts involving all our employees. We completed role assignments within the organization.

Implementation, Monitoring, Reporting - Q4 2022 and 2023

03

After completing fundamental sustainability management processes, we started implementing projects aligned with our objectives. Progress towards each goal and project, vis-à-vis the performance indicators we have set, will be detailed in our 2023 report.




Roadmaps are living designs. Your company's sustainability strategies can change, objectives can be reviewed, and methods can evolve over time. As the years go by, sustainability programs and actions become part of a company's DNA, and beyond this stage, roadmaps inevitably undergo strategic changes.

A photograph of a person driving a car, seen from the side. Their arms are out the window, and they are looking out at a long, straight road that stretches into the distance. The sun is low on the horizon, creating a warm, golden glow over the scene. The text 'OUR GOALS' is overlaid in a bold, dark red font, with a thin horizontal line underneath it. Below the line, the years '2022-2023' are written in a smaller, dark red font.

OUR GOALS

2022-2023

A row of colorful, stylized figures hanging from a rack, possibly in a store or museum. The figures are made of a dark material, possibly wood or metal, and are painted in various colors like red, blue, and yellow. They have a simple, rounded shape with a small protrusion on top, resembling a traditional folk art or decorative object.

When setting our goals, we took care to be realistic, align with industry dynamics, regulations, and global trends to a reasonable extent, and ensure that our commitments are influenced the least by our business model and other factors. We also aimed for these goals to be achievable and measurable through reasonable forecasts.

OUR ENVIRONMENTAL TARGETS

TARGETS (2022)



Scope-1 and Scope-2 carbon footprint calculation



Development of energy yield practices



increase in water conservation and recycled water volume

INDICATORS (2023)



Emission measurements and verification



Obtaining ISO 50001 Certification




Reduced water consumption per employee



OUR SOCIAL TARGETS


TARGETS (2022)

INDICATORS (2023)

 Increase in employee happiness

 Satisfaction rate above 80%

 Development of a corporate volunteering program

 Implementation of at least one project every quarter



OUR GOVERNANCE TARGETS

TARGETS (2022)



Preparing sustainability and human rights policies



Improving sustainability performance in the supply chain

INDICATORS (2023)



The publication and implementation of policies.



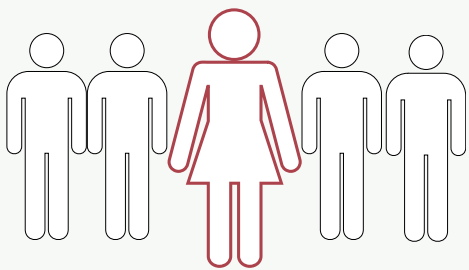
Implement development programs in 25% of the supply chain



HIGHLIGHTS OF 2022

We are pleased to share inspiring and impactful developments that we have achieved just at the beginning of our sustainability journey.

%26 Female participation in employment.
We are proud that out of the 67 employees who joined us in 2022, 17 were women.



1 out of every 5 managers is a woman.
We are happy that the ratio of female managers at the white-collar management level has increased to 20%.



4.5 - MILLION LITERS OF WATER The amount of water reclaimed in one year.
Through our Rainwater Collection System and Advanced Wastewater Treatment Plant, we conserved 9,677 liters of water per employee, bringing us closer to our goals.

18 TONS plastic use prevented **59 TONS** carbon emission offset

According to the first-year data of the "Tip of the Hat Project: Ditch the Caps, Cut the Emissions" data for its first year.



Yalçın KULA
Treatment Plant Operator

ENVIRONMENT

We manage our environmental impacts not only as a natural consequence of our business but also as a corporate citizenship duty towards society and the world.

ENVIRONMENTAL MANAGEMENT

AAs SIO Automotive, we do not limit our environmental responsibilities only to our own operations, but care about developing and developing an ecosystem in line with the goals of our suppliers and customers.

Our sensitivity towards resource usage has been at the core of our environmental management activities for many years. Our ISO 14001 Environmental Management System Certification obtained in 2016 and our Zero Waste Certification obtained in 2021 facilitate the traceability of our efforts.

We place significant emphasis on and actively monitor the progress of our suppliers and major customers in alignment with our established objectives. In recent years, the profound impacts of climate change mitigation and adaptation measures have assumed a central role in our sustainability pursuits.

Given the undeniable prominence of climate change as a critical global environmental concern, we prioritize the alignment of our business model and operations to make a positive contribution to the fight against climate change. In 2022, we embarked on the journey of product footprint assessments, and for 2023, our goals include the calculation of our carbon footprint. Furthermore, with our solar energy plant, which we plan to complete by 2024, we aim to produce part of our electricity on-site and prevent at least hundreds of tons carbon emissions annually.

We wholeheartedly adopt an environmental management and production paradigm that aligns seamlessly with international regulations and prevailing trends, both of which are pivotal drivers in the transition toward a sustainable, low-carbon, and circular economy.



“
Valuing every drop
of water and
considering the
impact of every gram
of waste on our world,
we move forward.

Şafak ALTINKAYA DOĞRU
**ENVIRONMENT and
SUSTAINABILITY COORDINATOR**



**KLIMA
OHNE
GRENZEN**

Certificate of Carbon Neutrality

This is to certify that

SIO Automotive

(Ergene / Tekirdağ)

has offset its:

Corporate Carbon Footprint

through the purchase of voluntary emission
reductions.

Climate protection project:

*Efficient Stoves for Social Impact, Rwanda
Gold Standard / ID: GS 1247*

Date of transaction: 2021-09-

20 Transaction ID: 16-321DE

Valid: 2021-09-20 to 2022-09-19

Christian Bachmann

Executive Director

ENVIRONMENTAL PERFORMANCE

This year, we demonstrated great performance in compliance with environmental obligations. We have taken significant actions, especially in balancing carbon emissions, recycling waste, and conserving water and energy.

%100 *We procure all our electricity from certified renewable energy sources.*



ENVIRONMENTAL PERFORMANCE

Energy efficiency is a crucial aspect of our environmental focus. We obtain our electricity from renewable sources and develop micro-projects to reduce energy usage. We accelerated efforts to obtain the ISO 50001 Energy Management System certification, one of our 2023 goals.

We have initiated feasibility and consultancy studies to install a solar power plant on the facility roof, especially in the field of **renewable energy**. Our goal is to meet at least 25% of our electricity consumption from the energy generated and obtained from our rooftops by 2024.

To offset our **carbon footprint**, we organize our company activities as carbon-neutral, and we collaborate with local and global initiatives. In 2022, we purchased 21.25 tons of carbon credits to offset our Scope 1 and Scope 2 emissions and, in addition, with the participation of our employees, we planted over 2,000 trees in Tekirdağ.

21 TONS

Offset carbon emission.

2.000

Number of saplings planted.



ENVIRONMENTAL PERFORMANCE

We continually strive to **decrease water** usage in every possible way. Despite low water consumption in our production processes, our advanced treatment facility with zero discharge allows us to reclaim and reuse over 2,500 tons of water annually. In 2022, by preventing water leaks and excess consumption, we achieved a water savings of 9.7 tons per employee. Additionally, by utilizing rainwater collected through our rainwater harvesting system for landscaping maintenance, we conserve at least 600 tons of water annually.

We approach **waste management** within the circular economy focus, developing new projects each year. In 2022, through a project initiated by our Innovation unit, we prevented 18.17 tons of plastic usage and 59.96 tons of carbon emissions. With our Cooling Oil Recovery Unit, we reclaim 99% of used oil. In 2022, recycling waste led to a reduction of 32 tons in carbon emissions and 822,951 kWh in electricity consumption.

We place significant emphasis on training activities to improve our **employees' and suppliers'** alignment with environmental matters. In 2022, the average training time per employee on environment and sustainability alone reached 3.2 hours.

Per employee

9,7 TONS

of water reclaimed.

By recycling waste

823.000 kWh

electricity saved.



OUR CERTIFICATES

We report on our sustainability efforts, including environmental management, climate actions, and carbon footprint. We transform these efforts into transparent processes that can be monitored and audited through internationally recognized documents and certifications.



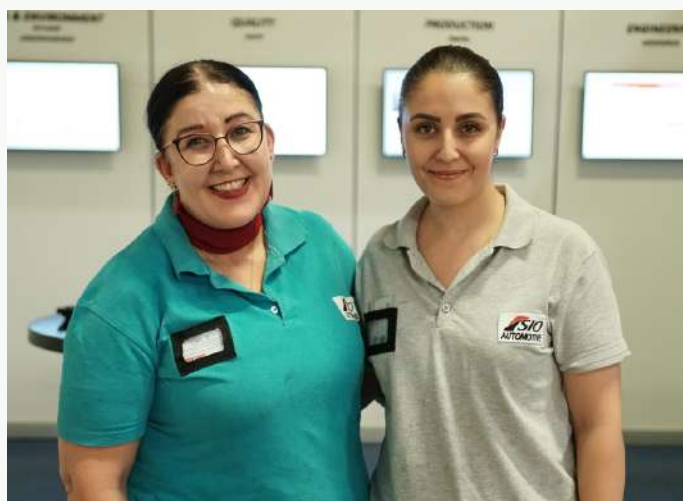
BEST PRACTICE

The **Solution Corner** offers employees a development opportunity where they can directly inform themselves about and engage in all processes, not only sustainability activities.

To enhance participation, a fundamental component of sustainability management, we prioritize diversifying communication channels with our employees.

Solution Corner, being a technology-supported platform enabling face-to-face communication, is frequently used for sustainability communication and employee engagement.

In the Solution Center, apart from events focusing on sustainability, we organize training and information activities concerning all business functions such as environment, occupational health and safety, production, innovation, and R&D. The center is strategically positioned on the production floor, enhancing inclusiveness.





All Can DALBAY
Quality Operator

SOCIAL

For years, having a happy workforce has had a facilitating impact, especially in new and adaptive processes like sustainability.



HUMAN RESOURCES MANAGEMENT

At SIO Automotive, we consider the well-being, professional growth, and job satisfaction of our employees to be our foremost responsibility. Our objective is to foster an environment in which each member of our workforce feels secure, valued, and empowered to advance in their careers.

Our Human Resources teams actively promote a collaborative and transparent working culture, grounded in open communication principles.

We steadfastly uphold the fundamental human rights of our employees, ensuring they benefit from high-standard and secure working conditions. We maintain accessible processes and tools that reinforce a culture of workplace safety for all.

In alignment with our commitment to human rights, we unequivocally reject any unacceptable practices, such as forced and compulsory labor or child labor.

Furthermore, we meticulously conduct all our processes to eliminate discrimination or favoritism based on factors such as language, religion, beliefs, race, nationality, age, sexual orientation, gender, disability, or any other distinguishing characteristics. Our organizational ethos is founded upon the principle of equality, which permeates every facet of our operations.

Training occupies a significant position on our agenda, serving as a supportive pillar for all our endeavors. We are dedicated to enhancing the skills and fostering the development of our employees.



We are recognizing
that human-centric
values are the
bedrock of
sustainable
success.

Ayşe ARSLAN ÖZDOĞAN
HUMAN RESOURCES MANAGER

OUR APPROACH TO PARTICIPATION, INCLUSION, AND CONTINUOUS IMPROVEMENT

At SIO Automotive, our approach is characterized by an unwavering commitment to openness and receptivity to suggestions and feedback. We firmly believe that the collective wisdom of our colleagues has the potential to enhance the effectiveness and efficiency of our processes. We highly value the active participation of our employees in our operations. Inclusiveness is an integral facet of our organizational culture.

We consider participation as an integral part of our company culture. By creating platforms where our employees can offer innovative ideas and by considering their feedback, we are constantly evolving and improving.

In line with this philosophy, we have introduced a novel suggestion system known as "INOEKIN," which is accessible to all our employees. Through "INOEKIN," individuals who aspire to refine business processes or share novel concepts can easily submit and monitor their suggestions.

We care about the continuous development, happiness, loyalty, and belonging of our community. As part of our cultural transformation, our leadership team is dedicated to embracing participatory leadership practices, cultivating an open and sustainable communication environment. We extend internship opportunities to high school and university students, enabling them to take the initial steps in their career journeys. Our inclusive internship programs provide young talents with the chance to enter the business world, gain practical experience, and explore their potential.

We hold the development and success of our interns in high regard, taking pride in our role in shaping the future of the business world by aiding them in achieving their career aspirations. We remain steadfast in our commitment to supporting the growth of young individuals pursuing education, recent graduates, and those in employment through the framework of "SIO Academy."



HUMAN RESOURCES AT A GLANCE

We have a management strategy that continuously increases female employment, stipulates a long average seniority period, offers career opportunities to young employees, and values diversity.

Number of employees **465**

Turnover Rate: 0.81

Female employee rate

%25



92 female employees, 373 male employees

Of new employees hired in 2022

6 OUT OF 10 WERE
Under 30 age

140

Employees with a tenure of 10 year or more

189

Employees with a tenure of 5 to 10 years

136

Employees with a tenure of 0 to 5 years

Total training in 2022:

6.751 HOURS

per person

14,52 HOURS



As a company committed to an environmental and social sustainability ethos, we are dedicated to providing equal participation opportunities to every member of our organization, irrespective of their seniority or position, in all activities. This inclusive approach not only fosters a sense of belonging but also substantially amplifies the dedication and commitment of our employees.

Caner BORA

UNION CHIEF REPRESENTATIVE

SOCIAL PERFORMANCE

This was a dashing year in which our employees' participation in sustainability projects and our volunteering efforts increased significantly, and we grew by employing new employees under the age of 30.

As our sustainability efforts gained momentum in the latter part of 2022, we focused on enhancing our capacity in social matters and expanding our projects.

To improve our **human resources management** capacity, we began preparing relevant policies and management documents. After forming Human Rights and Human Resources policies, we updated action plans for our commitments in these areas.

Employee engagement has always been significant, and our existing "Suggestion System" is efficiently functional. Additionally, considering new regulations in the European Union and our largest market, Germany, we initiated efforts to establish a comprehensive "Employee Complaint Mechanism" and "Ethics Line." We plan to expand the scope of our **human rights** and employee complaint mechanism practices to include our supply chain by 2023. To enhance our **ethical principles**, we prepared the "Corporate Principles Guide." This comprehensive guide elaborates on various aspects such as working conditions, equal opportunities, inclusivity, diversity, freedom of expression, and non-discrimination, in alignment with our company culture.

With the aim of improving **employee well-being** and happiness, we involved our employees in decision-making processes and increased social activities and recreational facilities on our campus.

We acknowledge that there is a long and challenging road ahead for **gender equality**. We have prepared action plans to increase female employment, diversify career opportunities for female employees, and increase the number of female executives. This remains a significant focus, with long-term goals in place.

Training is a top priority for us. We offer various training programs to contribute to the holistic development of our employees, not only focused on work-related skills but also personal competencies.



BEST PRACTICE

Our **Corporate Volunteer Program** has not only increased the impact we create for society and helped increase the number of our environmental and social projects but has also brought our employees closer together.

The corporate volunteer approach, which is among our sustainability focal points, has not only increased the involvement of our employees in environmental and social sustainability projects, but also yielded results far beyond the benefits we aimed to create.

From the very beginning of designing the Corporate Volunteer Program, we prioritized the participation of our employees in decision-making processes as a prerequisite.

In doing so, our goal was for our employees to both understand how we involve them in our sustainability initiatives and realize the societal benefits we create as a company in a stronger manner.

Subsequently, through extensive surveys, focus group meetings, and face-to-face discussions, we identified our areas of priority.

In 2022, we carried out the following projects in the areas of "environment, women, children, and education," which we identified as our corporate volunteering action topics:



- **I'm Aware, I'm Not Afraid Cancer Awareness Project**
- **The Unifying Power of Art Workshop**
- **Rising Temperatures Climate Change Awareness Walk**
- **Breathing Into the Future Reforestation Project**
- **Our Children, Our Shared Future Campaign**
- **My Profession, My Future Panel**



The business model of corporate volunteer programs aligning with the company's values, corporate objectives, and culture is of great importance. Furthermore, establishing volunteer structures and enhancing employee consultation and participation processes when designing projects are significant factors that enhance benefits and success.

OUR PROJECTS



Breathing Into the Future Reforestation Project



Climate Change Awareness Walk

OUR PROJECTS



Cancer Awareness Project



The Unifying Power of Art Workshop

OUR PROJECTS



Our Children, Our Shared Future Campaign



My Profession, My Future Panel

GOVERNANCE

We believe that a strong governance effort is at the core of creating long-term value for our stakeholders and achieving a robust sustainability performance.

OUR APPROACH TO GOVERNANCE

At SIO Automotive, we view sustainability governance as a key corporate governance mechanism aimed at maximizing our environmental, social, and economic performance. Additionally, our “smart, innovative, sustainable” vision is at the center of our corporate governance approach.

Our sustainability-first management approach is strongly embraced by our top executives and Board of Directors. Our company culture, corporate principles, policies, and management documents collectively contribute to our sustainability governance performance in a continuous and meaningful manner.

Sustainability management is executed with a transparent, traceable, decisive, and effective risk management focus, extending to all our internal and external stakeholders. Our sustainability management is organized within our organization through a horizontal hierarchical structure, utilizing a risk and impact-oriented, inclusive management model.

The Environmental and Sustainability Coordinator is responsible for coordinating sustainability governance at SIO AUTOMOTIVE, while the Sustainability Team and Sustainability Ambassadors are the main bodies responsible for implementing sustainability projects. Strategy and decision-making processes are overseen by the Sustainability Committee consisting of senior executives and the Managing Director.

All actions within our business model in the sustainability ecosystem are planned and implemented using globally recognized standards, initiatives, and methodologies.

Within the framework of our roadmap for the year 2023, we plan to enhance our governance efforts for international environmental and social initiatives.



OUR CERTIFICATES

We ensure the sustainability of our management systems, encompassing quality, environment, occupational health and safety, stakeholder relations, and corporate responsibility initiatives, by obtaining and maintaining international certifications.

Bureau Veritas Certification

SIO AUTOMOTIVE TAŞIT YEDEK PARÇA SANAYİ VE TİCARET A.Ş.

ULAŞ OSB MAH. 207 SK. NO:30-32/2 NO:30-32/3 ERGENE 2 OSB - ERGENE, 59930, TEKİRDAĞ, TÜRKİYE.

Bureau Veritas Belgelendirme Holding SAS - UK Şubesi yukarıda adı geçen kuruluşun, Yönetim Sisteminin denetlendiğini ve aşağıda detayları belirtilen yönetim sistemi standartlarının gereklerine uygunluğunu onaylamaktadır.

ISO 45001:2018

Belgelendirme Kapsamı:

OTOMOTİV SEKTÖRÜ İÇİN YÖNLENDİRME VE SÜSPANSİYON SİSTEMLERİ VE KOMPONENTLERİNİN TASARIMI, ÜRETİMİ, PAZARLAMA VE SATIŞI

İlk Dönüştürme Başlangıç Tarihi: 28-06-2019
Önceki Dönüştürme Geçerlilik Tarihi: NA
Belgelendirme / Yeniden Belgelendirme Denetim Tarihi: NA
Belgelendirme / Yeniden Belgelendirme Dönüştürme Başlangıç Tarihi: 18-05-2022
Kuruluşun yönetim sistemi, standartın yeterliklerini karşılamaya devam ettiği sürece bu sertifikaya geçerlidir: 27-06-2025

Sertifika Numarası: TRD11492 Sürüm: 1 Yayın Tarihi: 18-05-2022

Bureau Veritas
BIVCH SAS UK Şubesi adına imzalayan
İBRAHİM TAGAY

Sertifika No: 008

UKAS

1/1

Bureau Veritas Certification

SIO AUTOMOTIVE TAŞIT YEDEK PARÇA SAN. VE TİC. A.Ş.

ULAŞ OSB MAH. 207 SK. NO:30-32/2 NO:30-32/3 ERGENE 2 OSB - ERGENE, 59930, TEKİRDAĞ, TÜRKİYE.

Bureau Veritas Belgelendirme Holding SAS - UK Şubesi yukarıda adı geçen kuruluşun, Yönetim Sisteminin denetlendiğini ve aşağıda detayları belirtilen yönetim sistemi standartlarının gereklerine uygunluğunu onaylamaktadır.

ISO 9001:2015

Belgelendirme Kapsamı:

OTOMOTİV SEKTÖRÜ İÇİN YÖNLENDİRME VE SÜSPANSİYON SİSTEMLERİ VE KOMPONENTLERİNİN TASARIMI, ÜRETİMİ, PAZARLAMA VE SATIŞI

İlk Dönüştürme Başlangıç Tarihi: 14-07-2010
Önceki Dönüştürme Geçerlilik Tarihi: NA
Belgelendirme / Yeniden Belgelendirme Denetim Tarihi: NA
Belgelendirme / Yeniden Belgelendirme Dönüştürme Başlangıç Tarihi: 30-07-2021
Kuruluşun yönetim sistemi, standartın yeterliklerini karşılamaya devam ettiği sürece bu sertifikaya geçerlidir: 28-07-2024

Sertifika Numarası: TRD10201 Sürüm: 1 Yayın Tarihi: 30-07-2021

Bureau Veritas
BIVCH SAS UK Şubesi adına imzalayan

Sertifika No: 008

UKAS

1/1

Bureau Veritas Certification

SIO AUTOMOTIVE TAŞIT YEDEK PARÇA SANAYİ VE TİCARET A.Ş.

ERGENE 2 OSB, 207. SOK. NO: 30-32/1 VE 30-32/4 ERGENE, TEKİRDAĞ, TÜRKİYE

Bureau Veritas Belgelendirme yukarıda adı geçen kuruluşun, Yönetim Sisteminin aşağıda detayları belirtilen Yönetim Standartları gereklerine uygunluğunu değerlendirmiş olup, onaylamaktadır.

Standart

ISO 10002:2018

Belgelendirme Kapsamı:

OTOMOTİV SEKTÖRÜ İÇİN YÖNLENDİRME VE SÜSPANSİYON SİSTEMLERİ VE KOMPONENTLERİNİN TASARIMI, ÜRETİMİ, PAZARLAMA VE SATIŞI

İlk Dönüştürme Başlangıç Tarihi: 14 Temmuz 2010
Önceki Dönüştürme Geçerlilik Tarihi: 20 Ağustos 2021
Belgelendirme / Yeniden Belgelendirme Denetim Tarihi: 07 Nisan 2021
Belgelendirme / Yeniden Belgelendirme Dönüştürme Başlangıç Tarihi: 07 Temmuz 2021
Kuruluşun yönetim sistemi, standartın yeterliklerini karşılamaya devam ettiği sürece bu sertifikaya 06 Temmuz 2024 tarihine kadar geçerlidir.

Sertifika Numarası: TRD10554 Sürüm No: 1 Revizyon Tarihi: 07 Temmuz 2021

Bureau Veritas
İBRAHİM TAGAY
Belgelendirme Müdürü

Sertifika No: 008

UKAS

1/1

Bureau Veritas Certification

SIO AUTOMOTIVE TAŞIT YEDEK PARÇA SANAYİ VE TİCARET A.Ş.

ULAŞ OSB MAH. 207 SK. NO:30-32/2 NO:30-32/3 ERGENE 2 OSB - ERGENE, 59930, TEKİRDAĞ, TÜRKİYE.

Bureau Veritas Belgelendirme Holding SAS - UK Şubesi yukarıda adı geçen kuruluşun, Yönetim Sisteminin denetlendiğini ve aşağıda detayları belirtilen yönetim sistemi standartlarının gereklerine uygunluğunu onaylamaktadır.

ISO 14001:2015

Belgelendirme Kapsamı:

OTOMOTİV SEKTÖRÜ İÇİN YÖNLENDİRME VE SÜSPANSİYON SİSTEMLERİ VE KOMPONENTLERİNİN TASARIMI, ÜRETİMİ, PAZARLAMA VE SATIŞI

İlk Dönüştürme Başlangıç Tarihi: 22-07-2016
Önceki Dönüştürme Geçerlilik Tarihi: NA
Belgelendirme / Yeniden Belgelendirme Denetim Tarihi: NA
Belgelendirme / Yeniden Belgelendirme Dönüştürme Başlangıç Tarihi: 18-05-2022
Kuruluşun yönetim sistemi, standartın yeterliklerini karşılamaya devam ettiği sürece bu sertifikaya geçerlidir: 27-06-2025

Sertifika Numarası: TRD11491 Sürüm: 1 Yayın Tarihi: 18-05-2022

Bureau Veritas
BIVCH SAS UK Şubesi adına imzalayan
İBRAHİM TAGAY

Sertifika No: 008

UKAS

1/1

BEST PRACTICE

Our **Sustainability Working Groups**

are comprised of employees from various units with different expertise and hierarchical levels, forming a robust structure.

At the very beginning of our sustainability journey, we focused on strengthening our corporate governance capacity and governance skills.

We have given priority to organizing around the principle that human resources are the most important asset allocated to improving our sustainability performance.

We expanded the scope of our Environmental Officer position, introducing the role of Environmental and Sustainability Coordinator to our organization.

Subsequently, we established independent, competent working groups outside the vertical hierarchy and sought ways to derive the highest benefits from these groups at every step.

Our sustainability working groups include not only managers and white-collar employees but also inclusive teams with participation from blue-collar employees across all units and levels.

To allow simultaneous participation of all groups, employees, and key stakeholders in sustainability agendas and actions, we utilized digital communication tools and social media.



SUSTAINABILITY MANAGEMENT

BOARD OF MANAGEMENT

SUSTAINABILITY COMMITTEE

**SUSTAINABILITY
AMBASSADORS**

SUSTAINABILITY TEAM

**ENVIRONMENTAL AND
SUSTAINABILITY COORDINATOR**

**INTERNAL AND EXTERNAL
STAKEHOLDERS**



OUR MEMBERSHIPS

We consider **corporate memberships** to be a vital instrument for extending the reach of our sustainability impact throughout our value chain and actively contributing to the advancement of our industry.

At SIO Automotive, we greatly value both commercial and sectoral memberships, as well as civil corporate memberships.

We are working to develop close relations with the organizations we are a member of and to produce joint projects for the development of our sector in the sustainability ecosystem.

- Member of Uludağ Exporters' Associations (UİB) since 2007.
- Member of the Turkish Metal Industrialists' Union (MESS) since 2013.
- Member of the Association of Automotive Parts and Components Manufacturers (TAYSAD) since 2017.
- Member of the Automotive Aftermarket Products and Services Association since 2017.
- Member of the University-Industry Collaboration Centers Platform since 2023.



Uludağ İhracatçı Birlikleri
Genel Sekreterliği



Otomotiv Satış Sonrası
Ürün ve Hizmetleri Derneği



We follow with interest Sio Automotive's continuous development by closely following the developments in the world, and we are proud that it will publish its first Sustainability Report. We find it very important that it sets an example for the manufacturing industry and our exporters, especially in this period when we are trying to adapt to the European Green Deal.

Att. Erten ÇILGA
TURKISH EMPLOYERS' ASSOCIATION OF
METAL INDUSTRIES CHIEF LEGAL ADVISOR

PROJECTS WITH OUR STAKEHOLDERS

Our focus on personal development and well-being is at the core of our projects designed to enhance the capabilities and happiness of our colleagues.

We conceptualize versatile initiatives that foster greater engagement from both our internal and external stakeholders in sustainability endeavors, with the overarching aim of cultivating a more inclusive approach.

White Night Environmental Awards

In conjunction with Green Night event, we introduced a competition this year to commend teams for their outstanding environmental performance. We acknowledged and rewarded teams that demonstrated exceptional commitment and active participation in waste recycling initiatives.

Face-to-Face Language Training

We have taken steps to support our employees in improving their English language proficiency and enhancing their foreign language skills by enlisting the expertise of a native English-speaking instructor. This initiative ensures that language training is accessible to everyone, accommodating both work hours and personal schedules.

Emotional Intelligence in the Workplace

We have launched comprehensive training sessions centered around emotional intelligence and effective communication, with the objective of involving all our employees. These interactive training sessions not only enhance workplace communication but also enrich interpersonal interactions in our personal lives.



University Industry Cooperation Protocol with Yıldız Technical University

PROJECTS WITH OUR STAKEHOLDERS



SIO Automotive White Night Event



English Education



Emotional Intelligence Training

PROJECTS WITH OUR STAKEHOLDERS

These collaborative initiatives with our external stakeholders play a pivotal role in advancing our overarching goal of inclusive sustainability governance.

Our commitment to bolstering our sustainability impact drives us to forge partnerships and foster collaborations with our suppliers, customers, and corporate stakeholders across our value chain.

We Represented Türkiye at COP 27-VISION 2045 Summit

We had the privilege of representing our nation at the COP27 Climate Change Summit held in Sharm El Sheikh, Egypt, a momentous occasion attended by our prominent customer, MEYLE. During the summit, MEYLE spotlighted our comprehensive environmental, social, and governance initiatives within the realm of sustainability. We take immense pride in the global recognition and visibility our projects garnered on this prestigious platform.



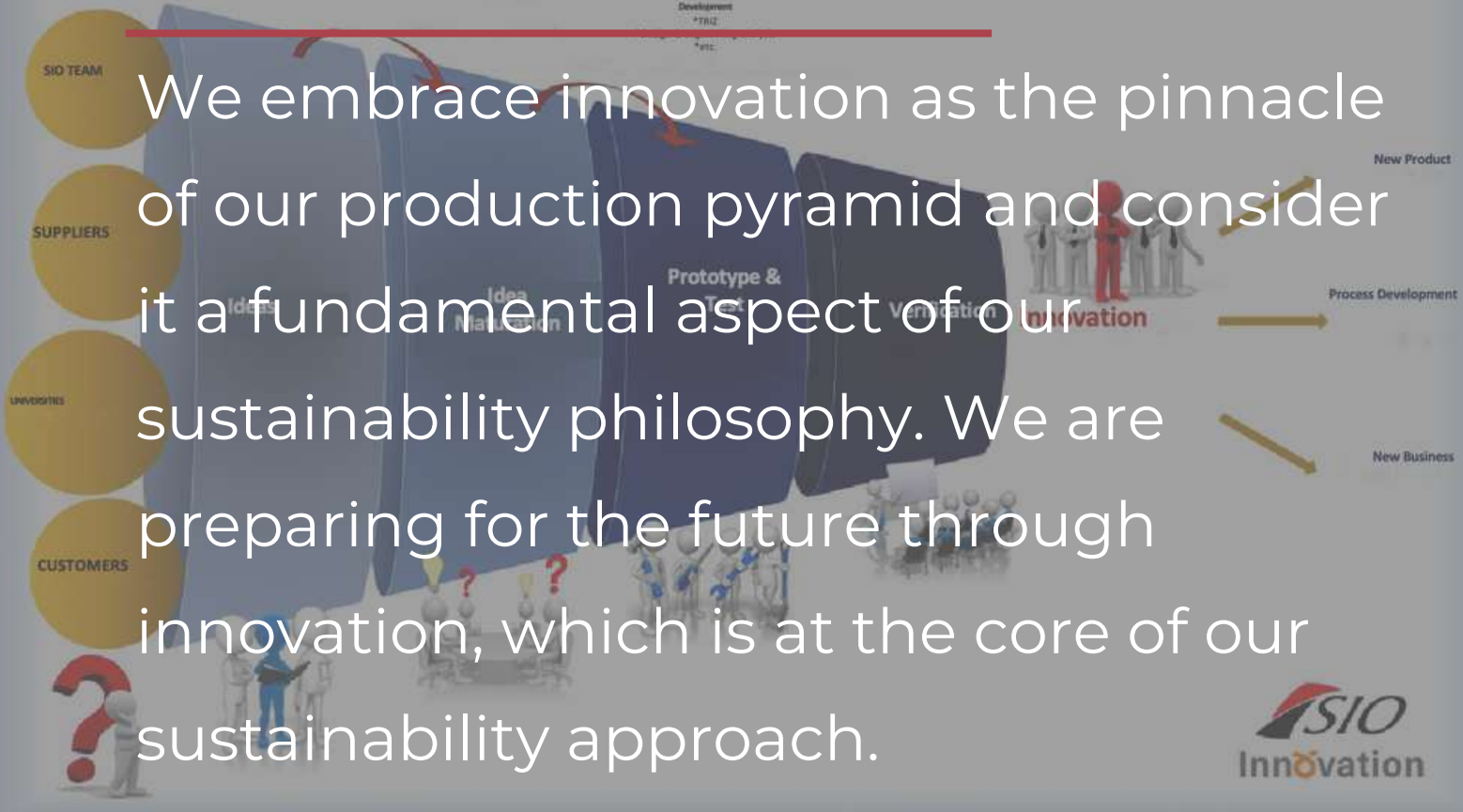





Innovation

INNOVATION

We embrace innovation as the pinnacle of our production pyramid and consider it a fundamental aspect of our sustainability philosophy. We are preparing for the future through innovation, which is at the core of our sustainability approach.



OUR INNOVATION APPROACH

As SIO Automotive, innovation stands at the apex of our production hierarchy and a cornerstone of our sustainability ethos. With over a quarter-century of manufacturing expertise, we have undertaken numerous innovation and research and development (R&D) endeavors, setting industry benchmarks.

In 2017, we established an R&D center officially recognized by the Turkish Ministry of Science, Industry, and Technology. This cutting-edge facility is equipped with state-of-the-art technology and staffed by dynamic, qualified, and experienced teams.

Our innovation journey, which we carry out today with more planned and scientific methods, started in 2021. The innovation targets, which are set within a five-year planning framework, are managed together with sustainability targets as of the second half of 2022.

To instill a culture of innovation and reinforce the seamless integration of innovation into our business processes, we have initiated regular training programs. Collaborative initiatives and projects with universities, customers, suppliers, start-ups, and entrepreneurs are integral to our innovation strategy.

Number of
designed
products
in 2022

114

Number of
innovation
projects
initiated in 2022

13

Number of
patented
inventions
in 2022

2

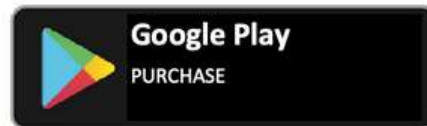


For us, production is our present, but innovation is our future. We are dedicated to cultivating "smart, innovative, and sustainable" solutions.

Andaç TANSUÇ
R&D DIRECTOR



Our Suggestion system, "INOEKIN," is now accessible on the App Store and Google Play!



INNOVATION ECOSYSTEM



INNOVATION PROJECTS

Our approach to innovation is intricately designed to not only enrich our product portfolio but also swiftly implement innovations that bolster our competitiveness on a global scale.

We channel our innovation processes to encompass both our existing product categories and emerging product lines, as well as new business domains. Central to our innovation strategy is the promotion of open innovation practices, leading to groundbreaking collaborations with universities and our supply chain.

Of particular significance is our commitment to integrating innovation, automation, and digitization initiatives with sustainability endeavors. This convergence results in the creation of novel and environmentally friendly materials, products with a reduced carbon footprint, and distinctive solutions.

In collaboration with esteemed institutions such as Yıldız Technical University, Kocaeli University, and TÜBİTAK, we actively engage in research projects that benefit our industry as a whole.



At SIO Automotive, where innovation occupies a central position in our vision, we have meticulously crafted a project portfolio geared towards pioneering advancements in various domains, with a pronounced focus on cultural transformation and sustainability. Our dedication to innovation permeates all our processes and units. We are unwaveringly committed to taking determined, inclusive, and visionary strides that set a precedent for organizations across the spectrum.

İffet İYİGÜN MEYDANLI
CO-FOUNDER OF M21 CONSULTING,
SIO INNOVATION PARTNER

BEST PRACTICE

Sometimes a seemingly small idea, combined with sustainability and innovation, can have a big impact on our world...



In June 2022, research efforts were initiated to reduce plastic usage in product shipments as part of the "Tip of the Hat Project: Ditch the Caps, Cut the Emissions". Following the approval of initial trials in August, the project was implemented.

The project, which aims to reduce waste generation and indirect environmental impacts by preventing the use of "disposable" plastics in the transportation processes of products, was launched in October.

Adopting a circular economy approach and focusing on the principle of "Reduce-Reuse-Recycle" instead of "Buy-Build-Dispose", the "Tip of the Hat Project: Ditch the Caps, Cut the Emissions" project aims to reduce the use of plastic by completely eliminating waste.

The expected key outcomes of the project include an annual cost savings of at least 70,000 Euros, waste management awareness extending from suppliers to customers and stakeholders, the prevention of single-use plastic waste, and a reduction in carbon emissions.

With project, every year;

24 TONS

of plastic use will be prevented.

60 TONS

of carbon emission reduction will be achieved.



VERİMLİLİK PROJE ÖDÜLLERİ

2022

23 ARALIK - AYDIN



Sinan KETENCİ
DIRECTOR OF PRODUCTION
AND INDUSTRIAL RELATIONS



Andaç TANSUÇ
R&D DIRECTOR

EFFICIENCY PROJECTS

In our pursuit of sustainability goals through R&D projects, we are also committed to contributing to our country's National Technology Initiative.



DUST TIRE FITTING PROJECT

This project, which has advanced to the finals in the Large-Scale Enterprises category, aims to design a machine capable of executing the dust tire fitting operation quickly, without external power, and with zero health and safety risks—replacing the manual, hand-and-wrist-powered process.

Project Objectives:

- Eradicating health issues stemming from manual operations,
- Reducing the process cycle time by 40% (from 7.5 seconds to 4 seconds),
- Eliminating occupational health and safety-related lost time (848 hours in the current state),
- Eliminating health and safety risks,
- Infusing innovation and sustainability into the operation.

At the end of the project;

- Cycle time reduced from 7.5 seconds to 4 seconds,
- The 848-hour workforce loss related to the relevant operation in 2021 was reduced to zero in 2022,
- With ergonomic design, the situation that adversely affects employee health has been prevented,
- The use of the project on similar production lines has been expanded.

EFFICIENCY PROJECTS

It is with great pride that we share the achievements of our R&D center, with two of our projects reaching the finals in the Productivity Project Awards organized by the T.R. Ministry of Industry and Technology.

ALLEN PRESSING OPERATION ROBOTIC AUTOMATION PROJECT

Our project, which made it to the finals in the Digital Transformation Category, transformed the manual allen press operation, which was done with hand and wrist power, into a fully automatic robotic application. It aims to design a machine whose dust tire installation operation is fast, does not require power, and has zero risk in terms of health and safety.

Project Objectives:

- Reduce the number of operators in production cells by 50%,
- Achieve zero occupational health and safety (OHS) risks by meeting OHS requirements.
- Increase production quantity per shift by at least 50%
- Eliminate operator-related scrap.
- Implement automatic visual inspections with cameras at the end of the operation, allowing for the separation of defective parts.

At the end of the project;

- OHS risk has been completely eliminated,
- The transition from manual labor to robotic application aligns with our technological, innovative, and sustainable vision, in line with Industry 4.0 strategies.





PRODUCTION AND AUTOMATION

The role of automation is paramount in our burgeoning business model, standing shoulder-to-shoulder with our commitments to innovation and sustainability.

RESPONSIBLE PRODUCTION

SIO Automotive has consistently demonstrated remarkable growth and an unwavering commitment to investment since its inception in 1991. This enduring success and adaptability to global developments can be primarily attributed to the exceptional expertise of our engineers and employees. Their profound knowledge of production processes, coupled with a relentless pursuit of technological advancements, positions us at the forefront of the industry.

In recent years, amidst the pressing environmental challenges our world faces and a growing emphasis on human rights and working conditions, we take immense pride in our continuous pursuit of excellence. We recognize that the true strength of our company lies in the dedication and expertise of our employees. Consequently, we remain resolutely committed to prioritizing the happiness and well-being of our workforce while sustaining our production activities.

Our active involvement in various organizations and collaborations with industry stakeholders underscore our proactive approach to exploring opportunities for sectoral cooperation across diverse fields.

Automation has emerged as a pivotal component of our recent business strategy, aligning seamlessly with our core principles of being smart, innovative, and sustainable.



“
We continue to take pioneering steps in innovative and sustainable production through the advanced technology of automation and the capabilities of our workforce.

Sinan KETENCI
**DIRECTOR OF PRODUCTION
AND INDUSTRIAL RELATIONS**



BALL PIN
MACHINING

SIO
AUTOMOTIVE

DANGER!
FENLİKESİ

YERİNE KOLLARINIZI BIRAKIN

Samet Akıncı
Robot Operatörü

PRODUCTION AND AUTOMATION

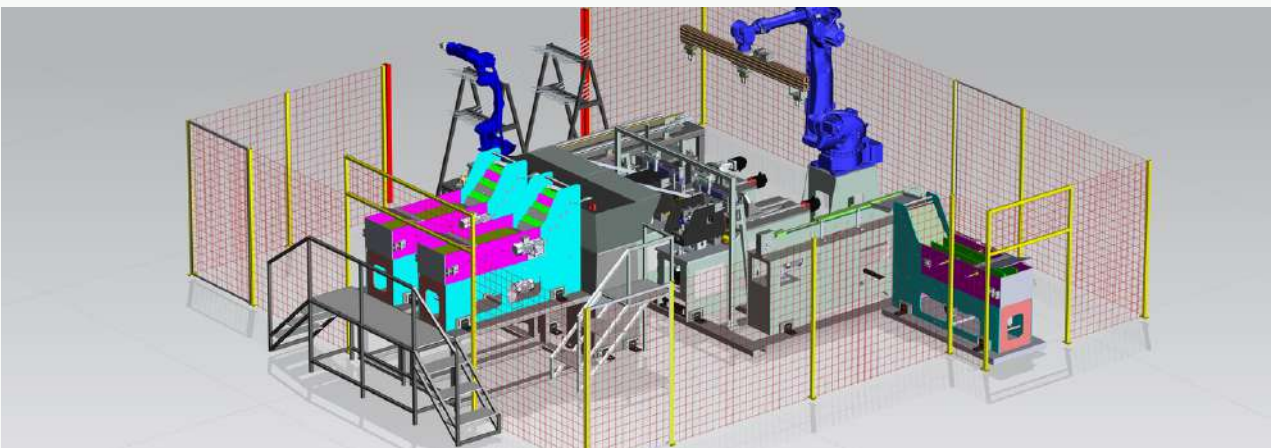
Automation stands as a cornerstone in our expanding business model, complementing our strong focus on innovation and sustainability.

To effectively adapt to the burgeoning trend of automation-based production methods in both the industry and automotive sector, we embarked on a meticulously planned and enduring “Automation Transformation.” In 2021, we took the momentous step of establishing the Automation Department within the Production and Industrial Relations Directorate. This department comprises a team of expert technical personnel who have since spearheaded various automation projects.

Through our automation projects, we aim to increase energy efficiency, make production processes more efficient, and thus reduce the environmental impact of our operations. Additionally, we are mitigating potential workplace accidents stemming from human factors.

The efficiency enhancements realized through our automation systems have translated into increased production speed and heightened product quality. Furthermore, with the rapid evolution of automation technologies, we envisage an even greater realm of sustainability opportunities on the horizon.

We are consistently increasing our automation investments to establish systems that align with the automotive industry and cater to our customers' needs.



DIGITALIZATION

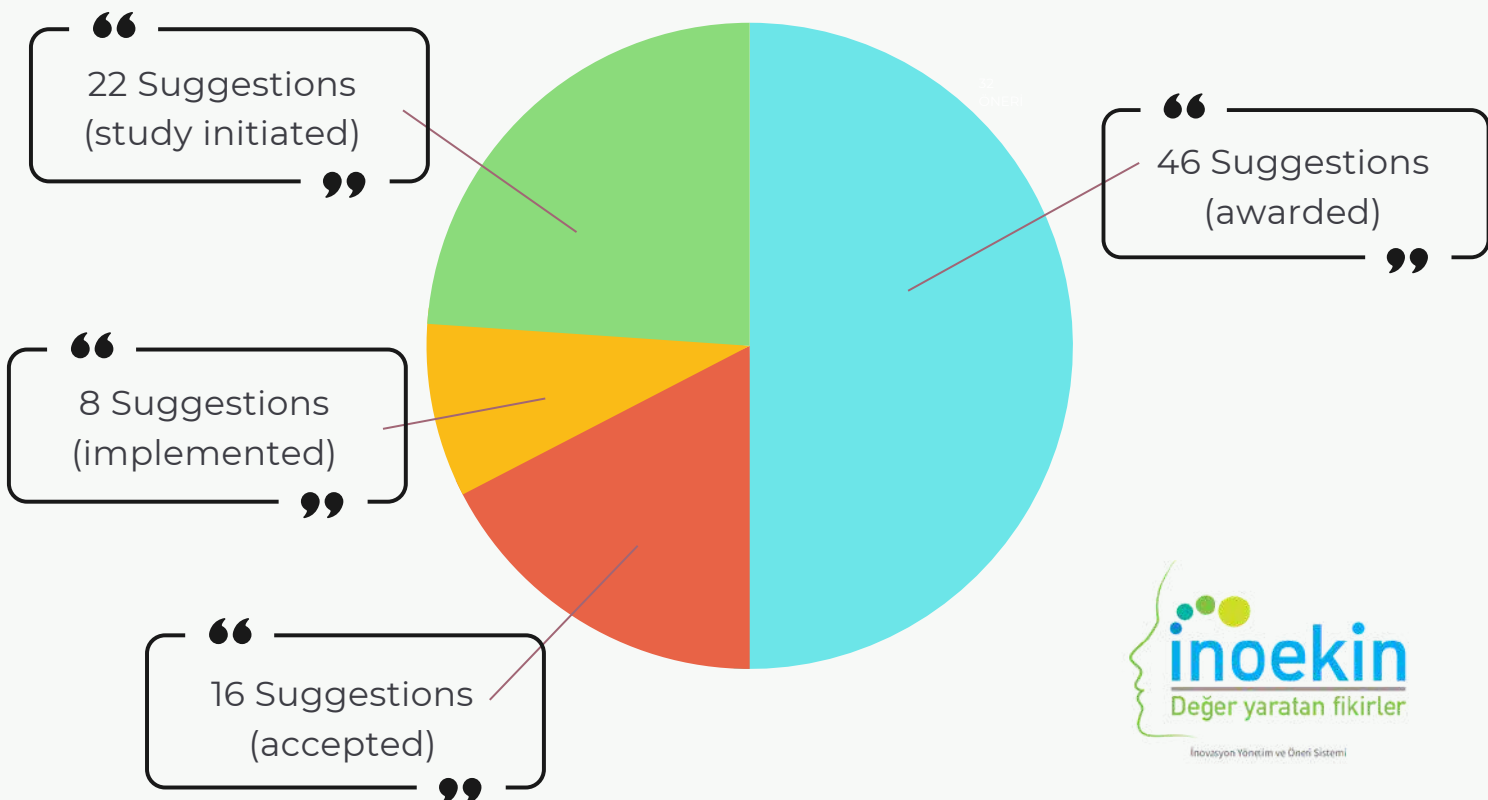
We have harnessed digitalization as a pivotal management tool, leveraging its potential to simultaneously diminish our environmental footprint within our business processes and bolster access to information, participation, and data privacy.

Through close collaboration between our Automation, Innovation, and Human Resources units, we have accelerated our digitalization endeavors, yielding rapid and tangible outcomes. The implementation of systems such as SIO PORTAL, QRQC, QDMS, and ePPAP has resulted in the digitalization of numerous business processes, particularly within the sphere of human resources. This transformation has led to a substantial reduction in paper consumption, improved time management, and heightened efficiency. Our digitalization projects have achieved noteworthy milestones, particularly in the realm of customer data and information security. Data privacy and information security remain paramount concerns and core priorities for us.

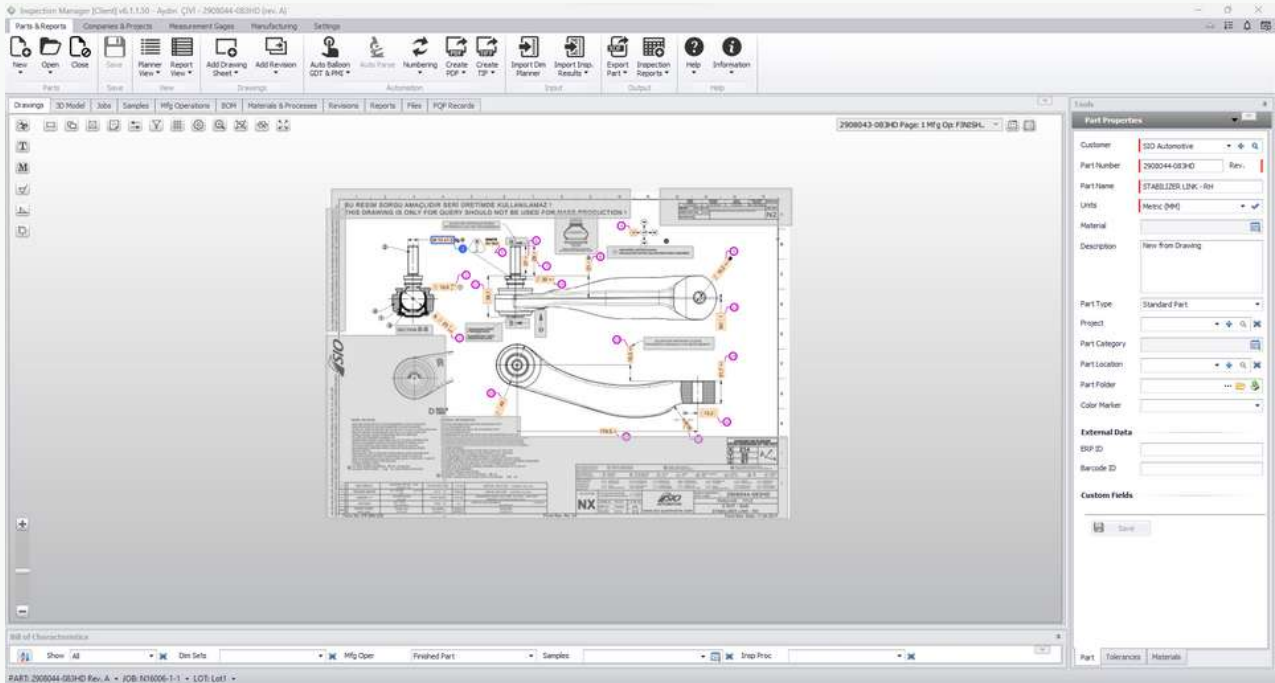
One notable project, the "INOEKIN Suggestion System," has dramatically amplified employee engagement in our processes through an entirely online and agile platform. In 2022, we recognized and rewarded 46 out of the 74 suggestions we received, implemented 8 suggestions, initiated work on 22 suggestions, and advanced 16 suggestions to the evaluation stage.

Our employees can access this suggestion system not only through the "SIO PORTAL" but also via our mobile application across different platforms.

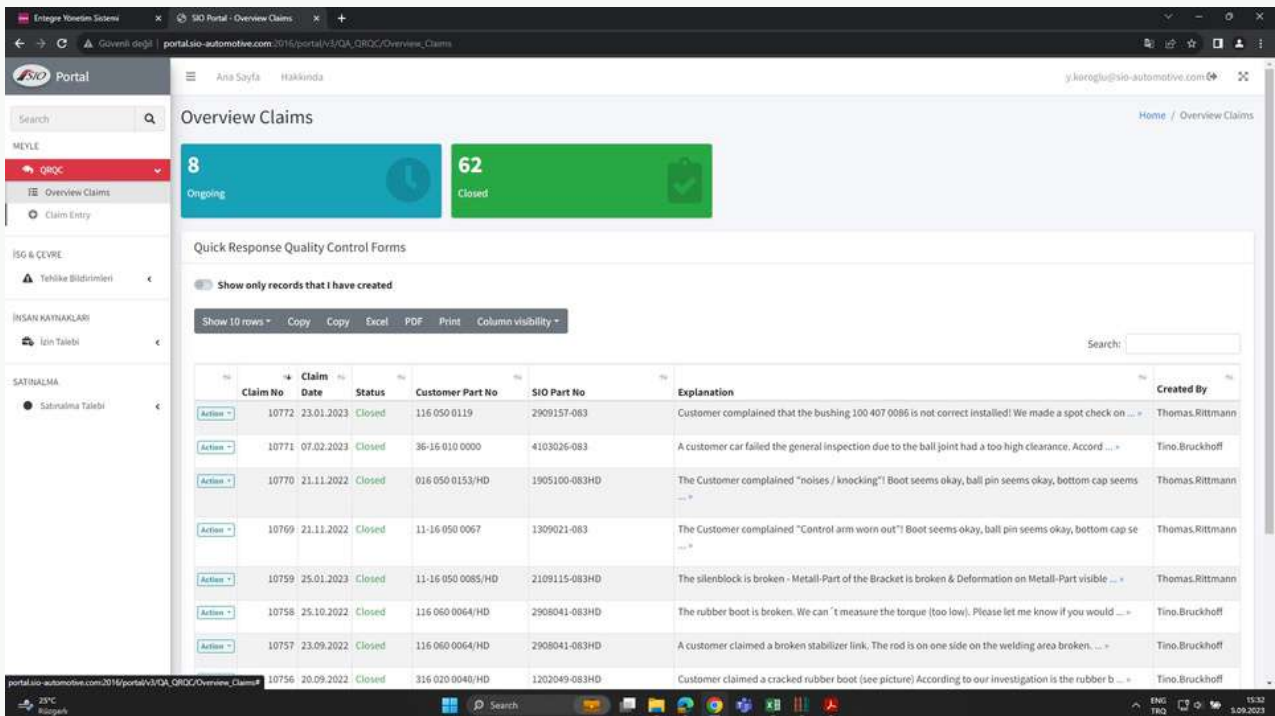
"I HAVE AN IDEA!" SUGGESTION SYSTEM 2022 RESULTS



DIGITALIZATION



We digitized our ppap (production part approval process) with a special software



We digitized our customer complaints portal with a special program we wrote.



Ekrem UÇAN
Occupational Safety Specialist

OCCUPATIONAL HEALTH AND SAFETY

We design our workplaces with the highest standards and the best quality materials to ensure the health, safety, and well-being of our employees, in addition to prioritizing continuous training for our workforce.

SAFETY FIRST APPROACH

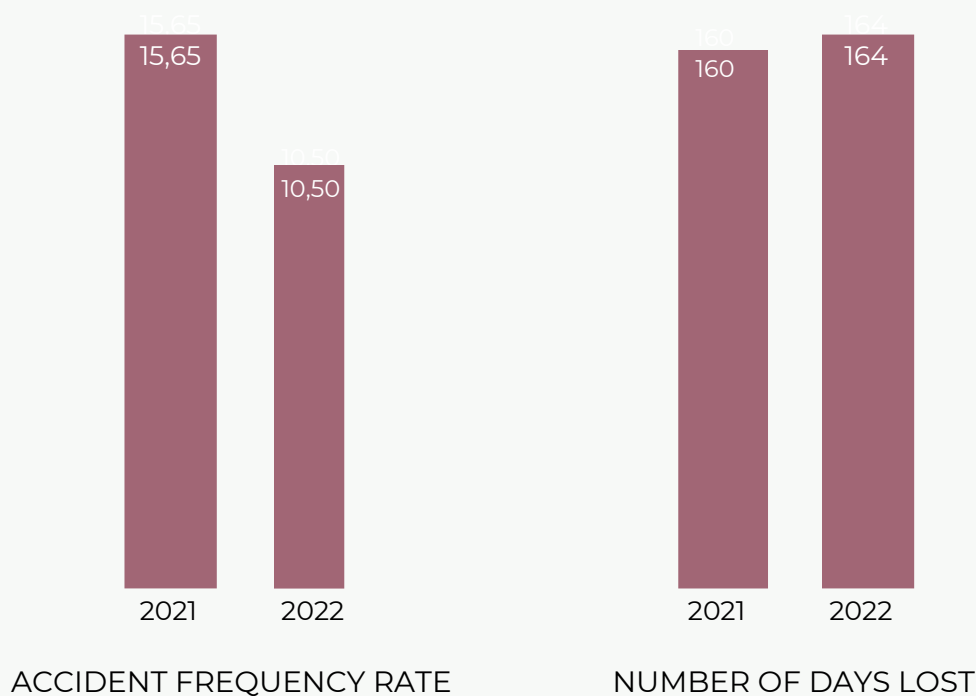
SIO Automotive is a company that highly values its employees. A respectful working culture approach toward people is not only visible in corporate governance processes and policies but can also be felt from the moment you step through the doors of our factory.

Health and safety measures in work environments not only ensure 100% compliance with legal requirements but also exhibit performance on par with international standards and sectoral best practices.


Thorough risk assessments are conducted in all areas, and necessary adjustments are made to ensure the highest level of health, comfort, and hygiene conditions along with safety. For example, air filters are used in machines to maintain healthy air quality in the workspace.

While the adoption of a behavioral occupational health and safety culture by employees is reflected in the statistics, the system and people are supported through continuous training. By the end of 2022, the total training time provided in the field of “Occupational Health and Safety” reached 7240 hours.

As of the end of 2022, the total training duration in the field of Occupational Health and Safety reached 7240 hours. In 2022, our average occupational accident frequency rate decreased by 33% compared to 2021, from 15.65 to 10.50, and the number of lost days decreased by 32% compared to 2020, from 240 days to 164 days.



PROJECTS



DIGITAL OCCUPATIONAL HEALTH AND SAFETY NOTIFICATION PORTAL

Through our Digital Occupational Health and Safety (OHS) reporting portal system, we have devised innovative solutions to address hazards and near-miss incidents identified by our diligent employees in the field. This proactive approach has resulted in a notable reduction in OHS risks. Regular evaluations of these achievements are conducted during OHS Committee meetings, with a steadfast commitment to continuous improvement.



IMPROVEMENTS IN FORKLIFTS

In pursuit of heightened safety standards, we have implemented a crucial modification to the forklifts utilized in our production areas. By converting their seatbelts into switchable ones, we ensure that the forklifts cannot operate unless the seatbelt is securely fastened. This simple yet effective measure significantly contributes to the health and safety of our employees. Moreover, the integration of a blue spotlight system on our forklifts has bolstered awareness and substantially reduced the risk of workplace accidents.



AUTOMATION PROJECTS

By implementing robotic feeding automation on our CNC turning machines, we have successfully reduced OHS risks to zero, effectively minimizing contact between machines and employees.



ROBOTIC WELDING PROJECTS

With the introduction of robotic welding machines and advanced welding fume extraction systems, we have achieved a remarkable reduction in OHS risks and eliminated exposure to welding fumes.



PLEASANT WORKING CONDITIONS

Our facilities offer numerous amenities that allow our workforce to relax and rejuvenate during breaks and rest periods. Open and closed recreational areas, alongside well-designed offices, underscore our dedication to making work an enjoyable experience for all.



AR-GE MERKEZİ

 SIO



FINANCE

As we accelerate our growth with profitable investments that prioritize social benefits, we focus on sustainable financial management.

SUSTAINABLE FINANCE

The acknowledgment of the finiteness of resources and the imperative to weigh the long-term repercussions of their utilization form the cornerstone of resource management. The capacity to judiciously assess the enduring impacts of resource allocation decisions hinges on organizations establishing a governance structure that is not only lawful and transparent but also democratic and efficacious.

Institutions characterized by effective governance have embraced sustainability as the guiding principle in the intricate maze of decision-making processes that dictate the allocation of limited resources from a plethora of boundless options. Sustainability, defined as the ability to meet our present needs without compromising the ability of future generations to meet their own needs, has engendered aspirations for a more habitable world under the universal banner of "leaving no one behind."

In today's cultural milieu, which places a premium on achieving sustainability objectives, it is increasingly implausible for endeavors that fail to account for societal well-being—such as eradicating poverty, safeguarding the environment, combating climate crises, ensuring equitable wealth distribution, and advancing peace—to secure sustainable financing.

Our organization, having woven sustainability consciousness into its decision-making machinery, stands resolutely committed to executing new projects and investment initiatives through the prism of sustainable financing.



“
We have instituted a responsible financial system that seamlessly incorporates environmental, social, and governance criteria into our investment deliberations.

Ömer ÖZTÜRK
FINANCIAL DIRECTOR



SUPPLY CHAIN

For a sustainable and resilient supply chain, we make our procurement processes more transparent and traceable through environmental and social management projects.

SUPPLY CHAIN

We regard our suppliers as paramount stakeholders in our sustainability management endeavors.

We strive and allocate resources to make our supply chain resilient, agile, and compliant in order to achieve continuity of production, profitability, and sustainability goals.

We implement effective processes to know, enhance, and monitor the sustainability performance of our supply chain. Sustainability integration starts with supplier selection, incorporating detailed environmental, social, and governance questionnaires.

Following the integration of our local and global questionnaires into our existing supplier database and procurement system last year, we are now creating sustainability goals and monitoring plans for each supplier within the scope of the "Supplier Sustainability Compliance Program" we launched in the last quarter of 2022.

By 2023, we will implement a new Supplier Development Program that will allow all of our suppliers to integrate with our sustainability goals.



“ The main reasons for our long-standing collaboration with SIO Automotive are their emphasis on suppliers, respect for people, fair and transparent procurement processes, and their continuous support of supplier firms. Their support in keeping up with global developments in sustainability is also a significant factor that contributes to our development.

Ümit OKYAY
YAMAS A.S.
CHAIRMAN OF THE BOARD

THE LAST WORD

Turning goals and commitments into action...

Sustainability is a long journey.

An endless adventure...

And in our view, the most important motivation that makes this adventure meaningful is to create value for humanity and our world.

The motivation of every SIO Automotive employee is to work passionately every day, knowing that they have a stake in helping people reach their families and loved ones safely...

For us, sustainability means producing tirelessly. It means labor. It means a humane, healthy, and safe working environment. It means benefiting society while protecting the planet.

This is a place where we look hopefully to the future, love our country, and work diligently and responsibly.

This is what makes this adventure sustainable...



GRI 101: BASIS 2016

GRI 102: GENERAL STATEMENT 2016

Corporate Profile

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Strategy

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GRI 200 ECONOMIC STANDARDS SERIES

Purchasing Applications

- 103-1** **Priority issues and their limits**
- 103-2** **Management approaches and annexes**
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GRI 300 ENVIRONMENTAL STANDARDS SERIES

Energy

- 103-1** **Priority issues and their limits**
- 103-2** **Management approaches and annexes**
- 103-3** **Evaluation of the management approach**
- 302-4** **Reduction in energy consumption**
- 302-5** **Reductions in the energy requirements of products and services**

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Water and Wastewater

- 103-1** **Priority issues and their limits**
- 103-2** **Management approaches and annexes**
- 103-3** **Evaluation of the management approach**
- 303-5** **Water consumption**

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Emissions

- 103-1** **Priority issues and their limits**
- 103-2** **Management approaches and annexes**
- 103-3** **Evaluation of the management approach**
- 305-1** **Direct Greenhouse Gas (GHG) Emissions (Category 1)**
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GRI 300 ENVIRONMENTAL STANDARDS SERIES

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Diversity and Equal Opportunity

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- 103-3** **Evaluation of the management approach**
- 405-1** **Diversity of governance bodies and staff**

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- 103-1** **Priority issues and their limits**
- 103-2** **Management approaches and annexes**
- 103-3** **Evaluation of the management approach**
- 412-2** **Training provided to employees on human rights policies and procedures**

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Local Communities

- 103-1** **Priority issues and their limits**
- 103-2** **Management approaches and annexes**
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- 413-1** **Operations with local community engagement, impact analysis and development programs**

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Supplier Social Assessment

- 103-1** **Priority issues and their limits**
- 103-2** **Management approaches and annexes**
- 103-3** **Evaluation of the management approach**
- 414-1** **New suppliers audited on social criteria**

Description of Place

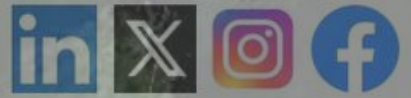
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**With love to all our
stakeholders who inspire us
on our sustainability
journey...**

