

Orhan Holding Automotive Group

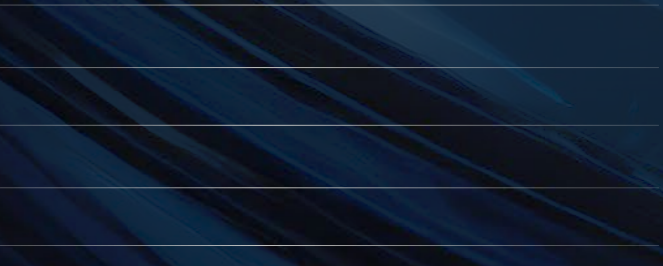
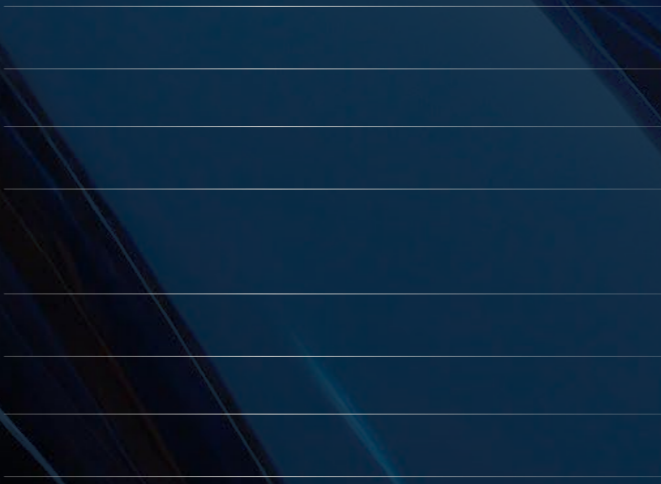
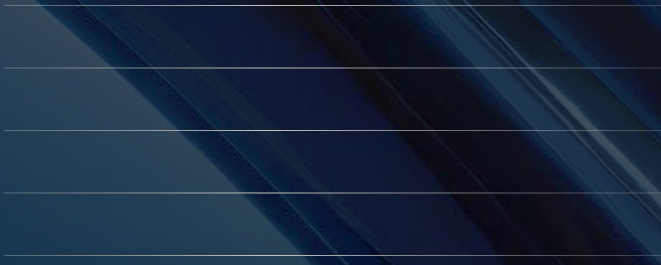
# Sustainability Report

2023



Orhan Holding

# Contents





Orhan Holding

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# About the Report



# About the Report

As Orhan Holding Automotive Group, we are pleased to present our first Sustainability Report. As headquartered in Türkiye, our operations span multiple international markets. This report encompasses the Nobel Automotive, Matay, Teknik Malzeme companies within the Orhan Holding Automotive Group.

The group consists of various entities and plants operating in multiple global locations, primarily including Orhan Holding Automotive Group's headquarters in Bursa, Türkiye. These organizations include Nobel Automotive and Engineering Centers with facilities in Romania, Slovakia, Russia, Turkey, India, China, Korea, Morocco, the United States, the United Kingdom, France and Mexico; Matay with facilities in Görükle and Karacabey; and Teknik Malzeme with a facility in Bursa. All these mentioned entities and plants represent a total of 22 different locations and will be collectively referred to as the 'Orhan Holding Automotive Group' throughout this report.

This comprehensive report has been prepared in accordance with the latest Global Reporting Initiative Standards (GRI 2021) and offers insights into our activities for the period year from January 1 2022 - December 31 2023.

This regionally adaptive strategy is reflected in the data from both our corporate headquarters and our various international manufacturing and Engineering Centers. We make sure our sustainability metrics are consistent with our audited financial statements by compiling them. All of our financial and active operations, from mergers and acquisitions to disposals, are comprehensively accounted for.

➤ Our sustainability approach is tailored to meet the environmental, social and governance (ESG) needs and expectations of each geographical region in which we operate.

Financial adjustments are also made to accommodate minority interests in adherence to conventional financial reporting standards. The data presented in our first sustainability report has been carefully prepared. While this report has not undergone external assurance, the possibility of engaging an independent third-party auditor for future reports is under active consideration by our Board of Directors and senior management to enhance transparency and credibility. We are firmly committed to an annual publication schedule for our sustainability reports, thereby reaffirming our enduring dedication to ESG best practices and the United Nations Sustainable Development Goals (SDGs).



For any inquiries, further information, or discussions related to the content of our Sustainability Report we invite you to reach out to us through our dedicated email address at

[sustainability@orhanholding.com](mailto:sustainability@orhanholding.com)



Birlikte İleriye...  
Advancing together...



# CEO Message



## Dear Stakeholders,

In a year filled with new challenges and new achievements, we at Orhan Holding have maintained the same high standards of customer satisfaction, excellence, and innovation since the foundation of our company. Thanks to our team's resilience, agility and dedication, we have been able to adapt to the changing global environment and continue our tradition of sustainable success.

Our company's essential goal, which has been built on our company values, is to be **the preferred solution provider for our customers** in key areas of automobile. We prioritize innovative research, utilizing cutting-edge tools and techniques to ensure quality and

efficiency in our manufacturing processes. Our zero-defect policy prevents errors and waste, and our quality systems ensure clear performance targets. With our detailed focus on customer-specific requirements, we collaborate with our customer to meet our commitment and then even exceed their expectations.

This focus on customer satisfaction has brought us a great success – we now operate in **13 countries across four continents**. Our diverse downstream entities, including both suppliers and service providers, grant us a wide market reach with engineering and manufacturing capabilities globally.

We believe sustainability as key for our business, **we embrace the strategic framework of sustainability on the pillars of Profit, People, and Planet**. We ensure that our operations and strategies are aligned with the principles of sustainability.

On the profit pillar, financial sustainability need stimulate us to pursue **sustainable economic growth and, continuously seek opportunities for new business development**, cost optimization and efficient resource allocation. This approach not only ensures our financial health, but also allows us to reinvest in innovative technologies and sustainable practices.

On the people pillar, it goes without saying that all our employees is crucial to our company's short-mid and long-term success. Our company's culture integrates anti-corruption, human rights, labor standards, and ethical business practice measures into our activities, which creates **an inclusive, respectful and welcoming work environment for all**. Having said that Orhan Holding supports the Women's Empowerment Principles and the Ten Principles of the United Nations Global Compact. We are especially dedicated to gender equality in our workforce with the belief that it is essential for enhancing our corporate competitiveness.

Furthermore, to our sustainable profitable growth and people centric approach in our operations, the breadth of our accomplishments is accompanied by a **responsibility to make a positive impact on the world around us**. This exciting commitment is steered by our corporate values and company ethos, encapsulated in the principles and cultural codes of **'Seamless Harmony,' 'Bold Engagement,' and 'Passionate Development'**. We believe that more sustainable communities will make Orhan Holding even stronger. With this mindset, we are continuously developing our contribution to society to build a better future for all.

To ensure **more sustainable environment**, we have integrated systematic initiatives to **minimize waste, prevent pollution, and conserve energy** across our operations. Our ISO 50001 certification in energy management, ISO 14001 certification in environmental management plus our EcoVadis certifications demonstrate our commitment to protecting the environment. We also adhere to and actively support the United Nations Global Compact, and all Orhan Holding plants comply with environmental standards and requirements. When assessing potential suppliers, we include social and environmental criteria in our assessments. The implementation of a comprehensive management system for climate-change issues has helped us make great strides towards improving our company's sustainability performance.

We are deeply proud of our achievements and grateful for the support of all our stakeholders who have joined us on this journey. As we look to the future, the core of our mission remains unchanged: our commitment to innovation, excellence, and customer satisfaction. Our investment in research and development will continue to drive our industry forward. With our motto of **Advancing Together**, we will navigate the twists and turns in the road ahead, focused on our sustainable growth and shared prosperity.

**H. Murat ORHAN**

CEO, Orhan Holding

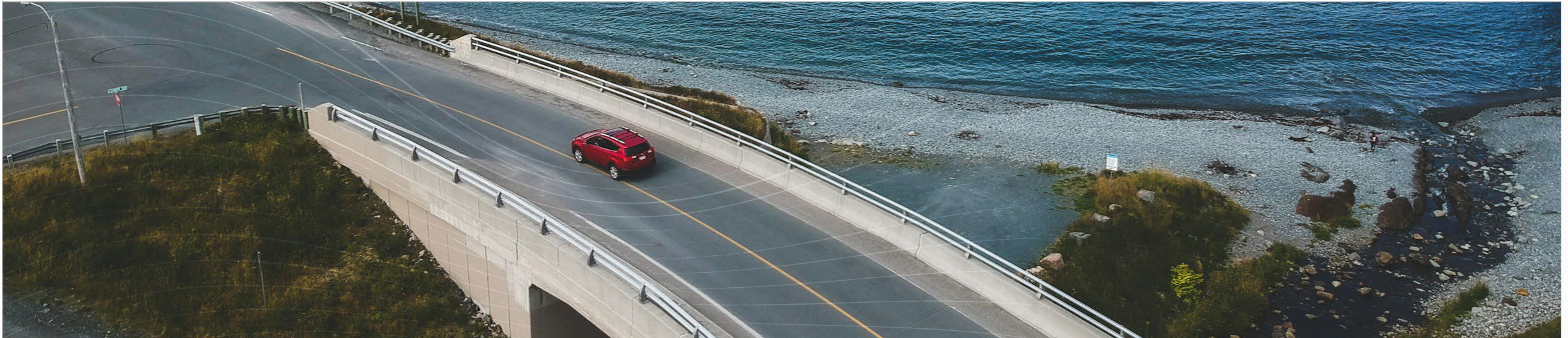
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# About Orhan Holding

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# About Orhan Holding

## *Mission, Vision and Values*



### ➤ Mission & Vision

Our company is committed to carefully understanding and addressing the needs of all our stakeholders, aiming to exceed their expectations with our high-quality services. At the heart of our business lies the principle of **reliability**, which serves as the foundation for building and maintaining transparent and trustworthy relationships with our stakeholders. Our consistent and effective communication strengthens this commitment to dependability, fostering a sense of trust that is essential to our success.

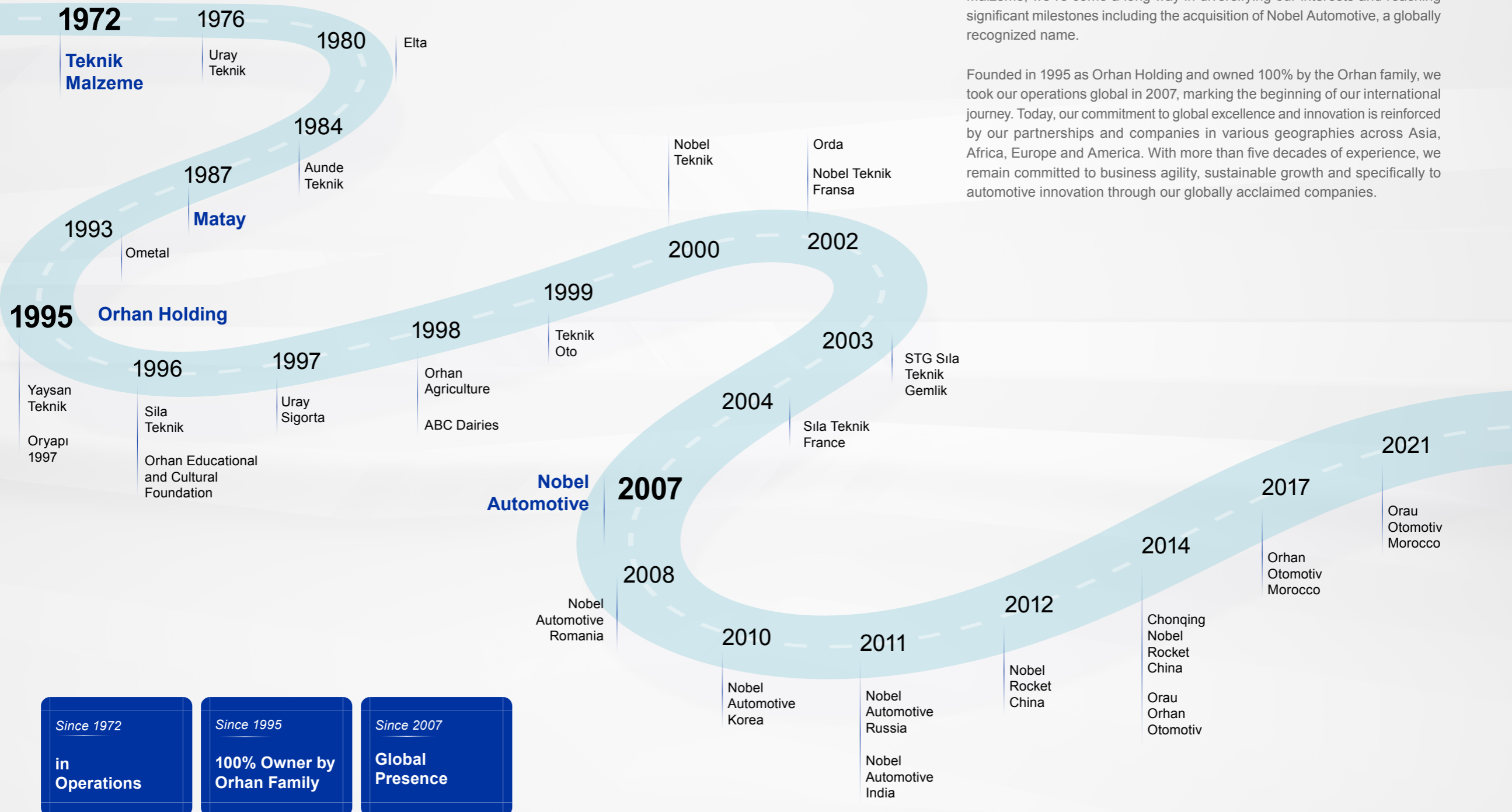
**Innovation** is also a cornerstone of our operations. We actively explore and integrate new solutions, setting us apart in the competitive market. Our efforts to offer top-notch goods and services with a focus on timely delivery demonstrate this innovative spirit's support for our ongoing commitment to quality and efficiency.

### ➤ Values

Ethical conduct and maintaining high standards are integral to all our operations, reflecting our belief in the importance of integrity for sustained business growth. Additionally, **sustainability** is our key focus, underscoring our responsibility in shaping a future-oriented business.

Ultimately, our objective is to meet our customers' requirements efficiently and establish ourselves as their solution provider of choice. Our strategy is to accomplish this by ensuring a consistent provision of high-quality products and services, with a particular focus on pragmatic innovation and dependable excellence. Additionally, our commitment to responsiveness and accessibility is demonstrated by our presence in fifteen countries, which guarantees that we can meet the requirements of our customers regardless of their location. This extensive presence is crucial in maintaining a competitive advantage within our industry.

# History



As Orhan Holding, we have been pushing the boundaries of innovation and excellence since our establishment in 1972. Starting our journey with Teknik Malzeme, we've come a long way in diversifying our interests and reaching significant milestones including the acquisition of Nobel Automotive, a globally recognized name.

Founded in 1995 as Orhan Holding and owned 100% by the Orhan family, we took our operations global in 2007, marking the beginning of our international journey. Today, our commitment to global excellence and innovation is reinforced by our partnerships and companies in various geographies across Asia, Africa, Europe and America. With more than five decades of experience, we remain committed to business agility, sustainable growth and specifically to automotive innovation through our globally acclaimed companies.

|                      |                                   |                        |
|----------------------|-----------------------------------|------------------------|
| Since 1972           | Since 1995                        | Since 2007             |
| <b>in Operations</b> | <b>100% Owner by Orhan Family</b> | <b>Global Presence</b> |



# Global Business Values

In our company, we aim to attentively consider our customers' needs and endeavor to provide a service that hopes to surpass their expectations.

Reliability is fundamental for our business as we seek to develop transparent and trustworthy relationships with our stakeholders, supported by consistent and effective communication. Innovation is an area we actively explore, looking to identify and adopt new solutions that could help distinguish us in the market.

Our commitment to quality and efficiency involves a continuous effort to offer commendable products and services, with an eye on timely delivery. Ethically, we strive to maintain high standards in all our operations and interactions, believing in the importance of integrity for sustainable business growth. We are also strongly committed to sustainability, recognizing its critical role in shaping a responsible and future-focused business.



### We Prioritize Customer Satisfaction

We're dedicated to exceeding our customers' expectations, achieving mutual success through exceptional service and value.



### We Drive Economic Growth

Our focus on growth and profitability fuels our continuous innovation and competitiveness in the broader economy.



### We Embrace Open-mindedness

Creativity and innovation flourish in our culture, driven by our passion and energy for new ideas and collective advancement.



### We Strive for Excellence

Committed to being industry leaders, we uphold superior ethics, honesty, and continuous development to maintain our top position.



### We Value Our People

Recognizing our team as our greatest asset, we foster an environment of support, collaboration, and growth for everyone.

## Global Business Values



### We Act Ethically

Guided by strong business ethics, we ensure all actions comply with laws and build trust through transparency and honesty.



### We Commit to Sustainability

Minimizing our environmental impact is a key part of our mission, reflecting our dedication to sustainable operations and innovations.



### We Believe in Teamwork

Our strength lies in unity and collaboration, working as one to share ideas and achieve our common goals.



### We Build Trust and Integrity

Integrity in all dealings ensures trust with stakeholders, based on mutual respect and lasting relationships.




### We Pursue Continuous Improvement

Always seeking to be better, we embrace feedback and challenges as opportunities to enhance our work and services.

# Orhan Holding at a Glance

## Ownership and History

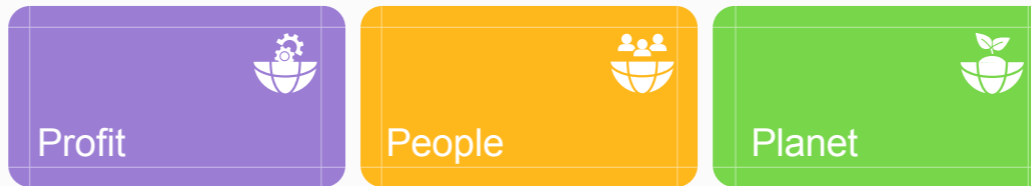
 100% owned by the Orhan family since 1972

 Global operations commenced in 2007

 More than 10,000 employees worldwide.

## Global Operations

Presence in **4 continents & 13 countries** **26 plants & 7 Engineering Centers**



## Industry Associations and Commitments



## Product Groups

**Fluid Transfer System**  
Fuel Lines, Brake Assistance, SCR Lines, Washer Lines, Fuel Filler Pipes, Plastic Tubes, Rubber Hoses, Valves & Injection Parts.

**Powertrain Parts**  
Turbo Oil, Turbo Cooling, EGR, TOC, Degas Lines, Spray Bar.

**Thermal Management**  
HVAC, Battery Thermal Management, Hydrogen Systems.

**Exhaust Systems**  
Down Pipe, Catalytic Converters, Central Pipe, Rear Pipe.

**Stainless Steel Tubes**  
Diameters ranging from 8mm-65mm.

**Tooling**  
Exhaust Tooling, Sheet Metal Molds, Control Jigs, Welding & Assembly Fixtures.

## Innovative Practices at the Global Validation Laboratory

- > Mini Shed TestLife
- > Cycle Test
- > Burst Test
- > Corrosion Test
- > Climatic Ageing Test
- > Tensile & Compression Test



# Orhan Holding at a Glance

## Vision & Customer Focus



- Committed to providing quality service on time and within expected cost/price
- Focus on exceeding customer expectations
- Aims for reliable collaboration and communication
- Produces innovative and differentiated solutions
- Designs products assuring functional quality

## Working Principles



- We grow with our PEOPLE and advance together
- We create value for our CUSTOMER AND WIN TOGETHER
- We are PASSIONATE AND FULL OF ENERGY about what we do
- We ensure TRUST is solid with all stakeholders
- We work as ONE TEAM
- We IMPROVE OUR BUSINESS everyday

## Gender Equality & Employee Empowerment

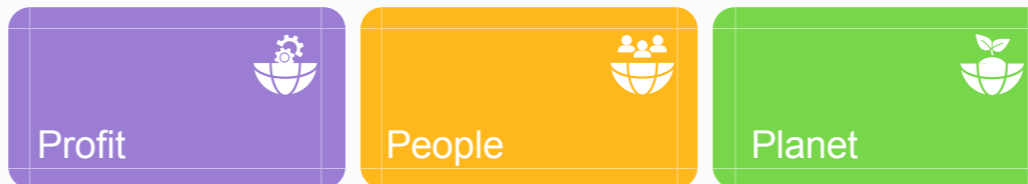


- Dedicated support for the Women's Empowerment Principles, highlighting a focus on gender equality and employee empowerment

## Orhan Education & Culture Foundation



- Provided scholarships to approximately **6,400 students**.
- In 2023, **52%** of scholarship recipients were **women**, emphasizing a commitment to gender equality in education.



## ISO50001 Certification

Present in 1 location, ISO50001 certification illustrates Orhan Automotive's systematic approach to achieving continual improvement in energy performance, including energy efficiency, use and consumption, indicative of responsible energy management practices.

## EcoVadis Assessments

Conducted in 8 locations, EcoVadis assessments reflect Orhan Automotive's engagement in sustainable development and corporate social responsibility. Being evaluated by EcoVadis demonstrates the company's commitment to transparency and the pursuit of sustainability in its business practices.

## Certifications & Assessments



### IATF16949 Certification

Held by 21 locations, this certification represents adherence to the highest standards of quality management and continuous improvement in the automotive industry, ensuring that products meet both customer and regulatory requirements.

### ISO14001 Certification

With 13 locations certified, ISO14001 signifies Orhan Automotive's commitment to environmental management, aiming to reduce waste, improve resource efficiency and manage environmental responsibilities in a systematic manner that contributes to the sustainability effort.

### ISO45001 Certification

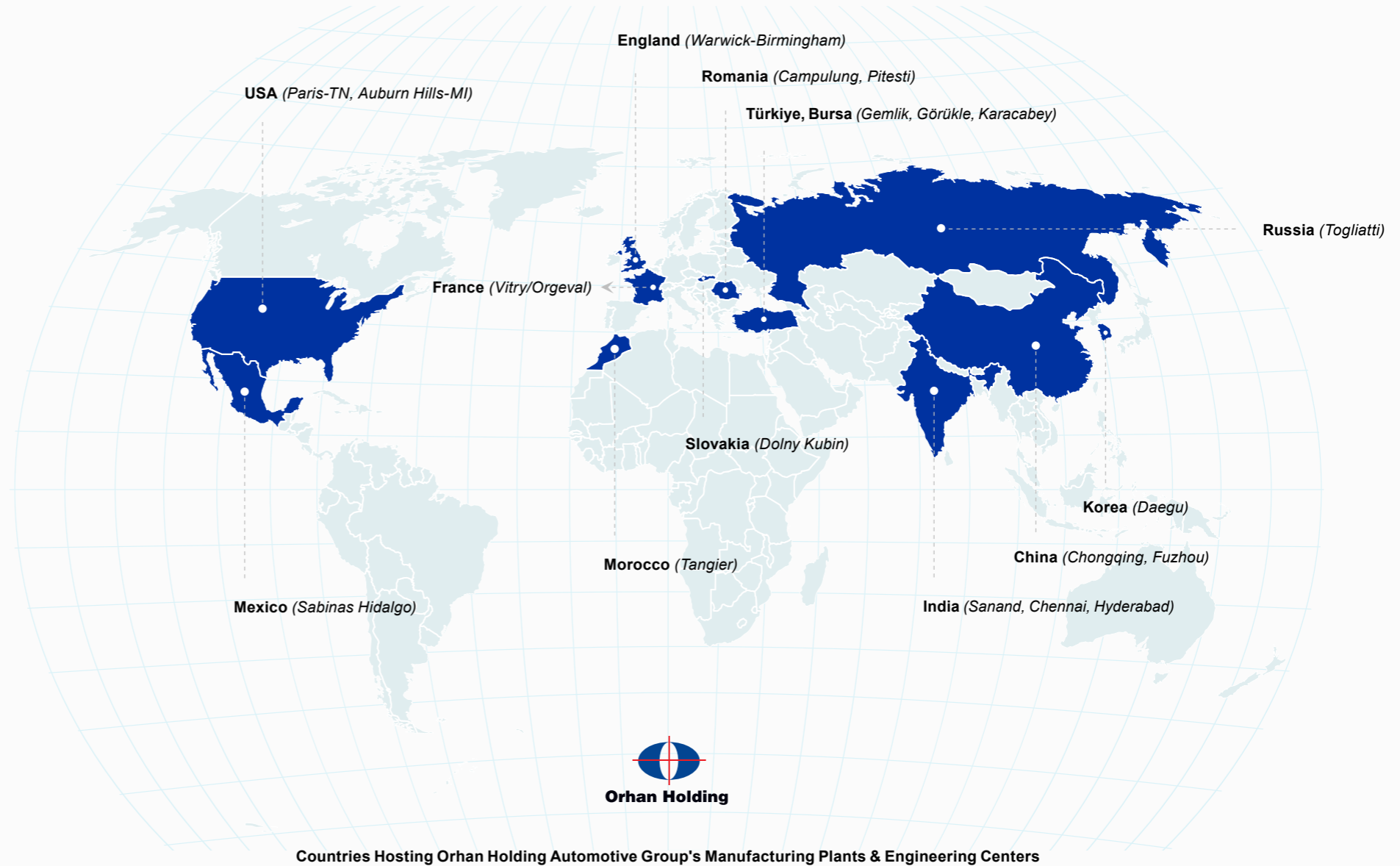
6 locations that have achieved this certification demonstrate a robust occupational health and safety management system, underlining Orhan Automotive's dedication to providing a safe working environment and proactively improving its OH&S performance to prevent work-related injury and ill health.

# Companies

## Orhan Holding

Expanding its operations across four continents and in 13 countries, Orhan Holding has developed a significant global presence in key automotive sectors including Fluid Transfer Systems, Powertrain, Thermal Management and Extrusion Profiles.

A dedicated team of 10,000 employees enhances this broad scope and reach. Demonstrating a steadfast dedication to innovation and expansion, the company operates in 26 plants and maintains 7 engineering centers.



**13** countries

**10,000** employees

**26** plants

**7** engineering centers

# Companies

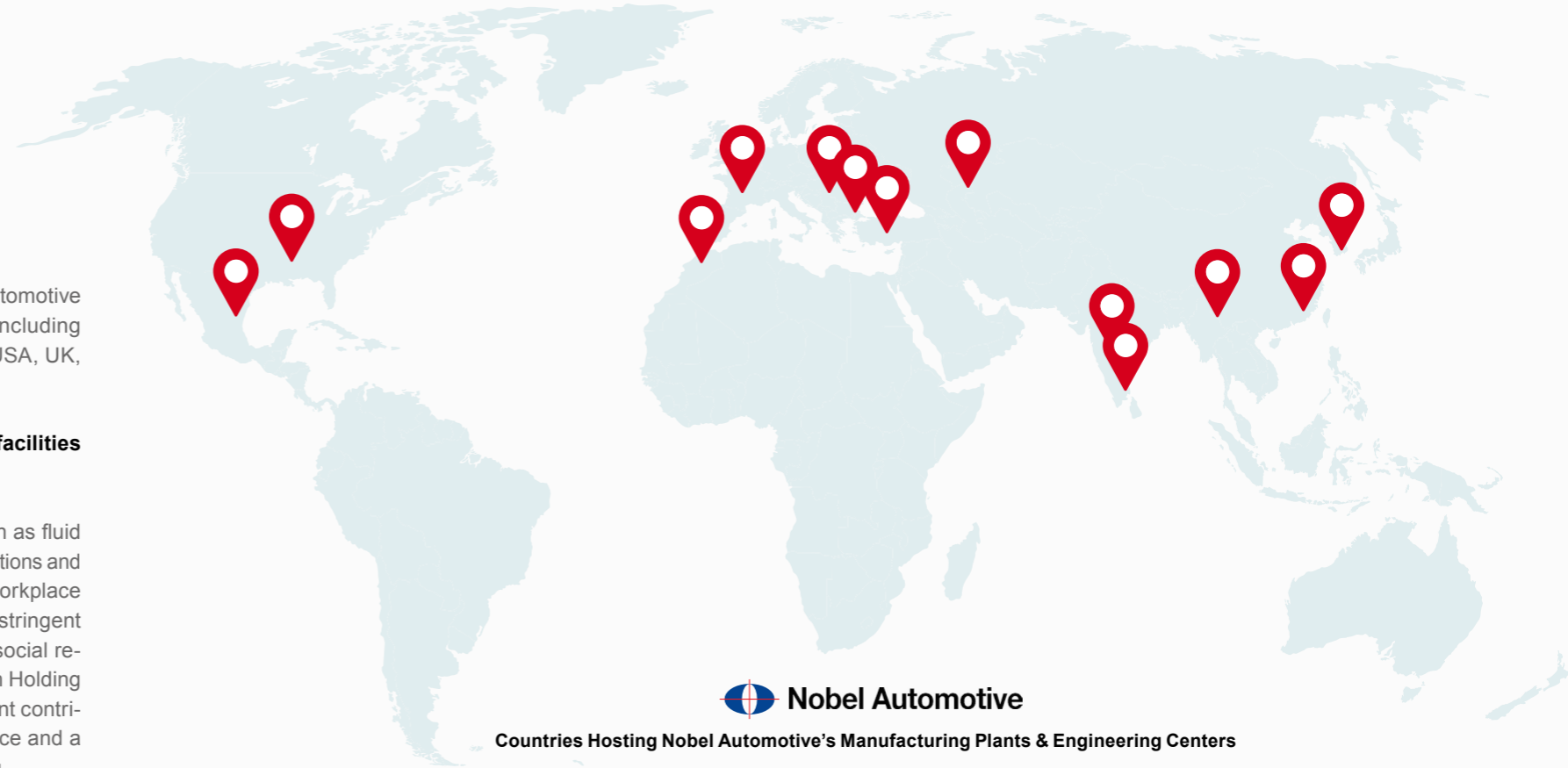
## Orhan Holding Automotive Group

### Nobel Automotive

Nobel Automotive, has cemented its presence in the global automotive industry with operations spanning across several countries, including Türkiye, France, Morocco, Romania, Slovakia, Russia, Mexico, USA, UK, India, Korea and China.

**With over 4,000 employees, Nobel Automotive operates from facilities totaling more than 200,000 square meters.**

The company specializes in manufacturing various products such as fluid transfer systems, powertrain components, thermal management solutions and extrusion profiles. Emphasizing environmental stewardship and workplace safety, Nobel Automotive integrates sustainable practices and stringent safety protocols into its operations, reflecting its commitment to social responsibility and employee wellbeing. Under the umbrella of Orhan Holding Automotive Group, Nobel Automotive continues to make significant contributions to the automotive sector, leveraging decades of experience and a commitment to innovation, quality and responsible manufacturing.



#### Campulung, Romania



Established in 2008, the plant is renowned for its expertise in producing gear shifts and fuel lines, specializing in fuel pipes—a testament to its strategic alignment with the needs of pivotal clients. Engaging with a global clientele, the plant actively addresses Environmental, Social, and Governance (ESG) sustainability inquiries. This engagement underscores a global shift towards more sustainable and responsible manufacturing practices, positioning Nobel Automotive at the forefront of this vital industry transformation.

#### Dolny Kubin, Slovakia



Nobel Automotive's operations in Dolný Kubín, the plant's production portfolio includes fluid transfer systems, components for engine cooling, interior heating, exhaust gas recirculation, HVAC, power steering and washer lines. Additionally, it has capabilities in plastic and rubber extrusion and metal forming.

#### Sanand, India



Established in 2015, the Nobel Automotive plant in Sanand encompasses a production area of 2,337 square meters. This facility specializes in the manufacturing of fuel filler pipes and SCR pipes.

# Companies

## Orhan Holding

### Nobel Automotive

#### Gemlik, Türkiye



Nobel Automotive / Gemlik facility focuses on producing various components, including fuel lines and cooling parts, rubber hoses, and fuel filler pipes. Moreover, the plant manufactures extrusion line products and performs laboratory operations on a global scale, thereby expanding its operational domain while upholding its fundamental emphasis on production.

#### Tangier, Morocco



The Nobel Automotive plant in Tangier, Morocco, was established in 2018. The facility is dedicated to manufacturing fuel tubes and various mechanism parts.

#### Vitry/Orgeval, France



The plant specializes in the manufacturing of plastic extruded tubes and injected components for fluid transfer applications within the automotive industry. This plant represents a significant operation within Orhan Holding Automotive Group's portfolio, highlighting the company's manufacturing capabilities in the European market.

#### Chongqing, China



Established in 2014, the Nobel Rocket Chongqing plant, manufactures a wide range of automotive pipeline series products, including fuel pipes, water inlet/outlet pipes, oil pipes, EGR pipes, air conditioning pipes, cooling pipes, and others.

#### Fuzhou, China



Nobel Automotive's Fuzhou Nobel Rocket Co, the plant's production lineup includes cooling pipes, brake pipes, brake pedals, accelerator pedals, brake hoses, stamping parts, rear axle rods, MCG tube of safety belt, corrugated pipes, nylon tubes for fuel systems, fuel filler pipes and other automotive products.

#### Chennai, India



The Nobel Automotive facility in Chennai was launched in 2013, covering a production area of 2,861 square meters and specializes in the production of fuel filler pipes, water intel pipes, turbo oil feeds, and SCR pipes.

# Companies

## Orhan Holding

### Nobel Automotive

#### Togliatti, Russia



The Nobel Automotive plant in Togliatti, Russia, established in 2011, operates within an 8,000 square meter facility. The production at this plant includes fuel lines, washing lines, fuel filler systems, flexible cables, metal frames and plastic injection components.

#### Paris, Tennessee, USA



The facility produces a diverse range of automotive parts including fuel hoses, fuel tank vent and evaporative emission hoses, in-tank fuel hoses, fuel filler hoses, crankcase vent, axle and transmission vent hoses and assemblies, engine oil cooler hose, automatic transmission oil cooler hose, windshield washer tubing, emission control tubing, cruise control vacuum hoses and coolant/heater hoses.

#### Daegu, Korea



Nobel Automotive's facility in Daegu, established in 2010, extends over 24000 square meters. The plant is dedicated to the assembly of brake lines and fuel lines.

#### Sabinas Hidalgo, Mexico



Since 2013, the Nobel Automotive plant in Sabinas, Mexico has been operating over a considerable area of 41,364 square meters. The facility is engaged in the production of various automotive.

### Location of Orhan Holding Automotive Group Engineering Center



- Birmingham (Warwick) - UK
- Vitry, France
- Auburn Hills, Michigan - US
- Pitesti - Romania
- Hyderabad - India
- Gemlik - Türkiye
- Teknik Malzeme - Türkiye

# Companies

## Orhan Holding Automotive Group



Matay, established in 1987, is a prominent manufacturing entity in Bursa, Türkiye with two plants in Görükle and Karacabey provinces. The company operates out of a vast facility that spans 43,500 square meters.

Specializing in automotive parts, Matay produces a variety of exhaust systems, including down pipes, catalytic converters, central pipes and rear pipes, as well as stainless steel pipes. This impressive production capacity and product range underscore Matay's significant role in the automotive industry, as a part of Orhan Holding Automotive Group.



Located in Bursa, Türkiye, Teknik Malzeme has been a significant presence in the manufacturing industry since its establishment in 1972. Its manufacturing facility covers an expansive area of 22,000 square meters, allowing us to produce a wide variety of automotive parts and components.

Teknik Malzeme's product lineup includes seat frames, metal components, stamping parts, complete seats, seat foam, fuel hoses, glass washing unit hoses, and plastic pipes for heating and cooling products. This diverse range of products underscores Teknik Malzeme's capability to serve various needs within the automotive sector, making it an essential partner in the industry.

With a global footprint that spans four continents and fifteen countries, Orhan Holding Automotive Group continuously works towards making a meaningful impact in the automotive supply industry.

Additionally, Orhan Holding Automotive Group provides specialized installation services for these parts. Orhan Holding Automotive Group's supply chain is robust and multifaceted, involving product development in engineering centers, production in global plants, and delivery through a network of logistics centers to meet the needs of the biggest OEMs in the automotive industry. The Global Validation Laboratory, situated within the Nobel Automotive Gemlik, Vitry plant and Paris TN, is fully equipped to conduct a wide range of validation tests as requested by customers.

This state-of-the-art facility is specially conditioned and outfitted with the necessary testing instruments to ensure precise and reliable results. Tests performed at the Global Validation Laboratory include, but are not limited to, the Mini Shed Test, Life Cycle Test, Burst Test, Corrosion Test, Climatic Ageing Test, and Tensile & Compression Test. Each test is carefully carried out to meet quality standards, providing crucial data for product development and improvement.

Orhan Holding Automotive Group's downstream entities encompass a wide array of partners, including raw material suppliers, waste management companies, catering and cleaning service providers, shuttle services for employee transport, retail partners, security service providers, various machinery manufacturers of different scales and contractors for installation services. In addition to these, the group also engages in collaborative partnerships with universities to foster innovation and knowledge exchange.

Despite the complexity of its operations and the scale of its market reach, the company reports no significant changes in its sector activities, value chain, or business relationships in the recent reporting period. With a substantial workforce of 10,000 employees, the company maintains stable employment numbers, reporting no significant fluctuations and no involvement with non-employee workers in its operations. The workforce data is presented as a headcount total at the end of the reporting period, ensuring accuracy and transparency in Orhan Holding Automotive Group's operational reporting.

Orhan Group's core activities encompass the manufacturing of essential vehicle parts. These include fluid transfer systems such as:



- fuel pipes,
- heating and cooling pipes,
- exhaust pipes, seating
- and various other auto components.



# Companies

## Quality and Product Safety

Orhan Holding Automotive Group ensures high-quality and safe products, prioritizing product safety, by employing a robust strategy.

This strategy emphasizes firm compliance with global standards, ongoing enhancements and preventive measures against defects. A structured approach to quality assurance and collaborative efforts with stakeholders are integral to this strategy, all guided by a commitment to zero defects and environmental sustainability.

**The focus on product safety is a fundamental aspect of Orhan Holding Automotive Group's commitment to delivering products that meet the highest standards of safety and quality.**

The group, while prioritizing product safety, incorporates technological systems for real-time detections as part of its quality control efforts. The quality system also utilizes innovative approaches, aiding in the continuous improvement of products and processes.

Orhan Holding Automotive Group has established strategies and commitments to uphold their standards in delivering quality services and products. The company's quality procedure is firmly rooted in its pledge to consistently deliver innovative engineered solutions that not only align with but surpass customer expectations in terms of quality, value, delivery and service.

This commitment is operationalized through a proactive approach to continuous improvement in their products, manufacturing processes and management systems. Collaboration is key, as the company engages closely with customers, fosters active employee participation and cultivates strategic supplier partnerships.

A key element of Orhan Holding Automotive Group's quality assurance strategy involves an adherence to the IATF16949 standards and detailed attention to customer-specific requirements throughout their international organization and supply chain.

Orhan Holding Automotive Group's pursuit of world-class performance is entrenched in a **'Zero Defect'** philosophy, emphasizing defect prevention and the utilization of advanced tools and techniques over mere defect detection. As part of this strategy, innovative approaches and camera-based defect detection systems are integrated into quality and product safety processes, demonstrating our commitment to the practice of passionate development.

These systems and approaches enhance the ability to identify and address potential issues proactively.

Orhan Holding Automotive Group's systematic approach involves setting clear objectives and performance targets to continuously measure and elevate their effectiveness, thereby enhancing overall business performance. Environmental responsibilities, choosing raw materials and manufacturing processes that mitigate environmental impact.

To support this commitment, Orhan Holding Automotive Group has implemented a comprehensive procedure for managing significant quality events. This procedure, relevant to all Orhan Holding Automotive Group functions, plants and support locations is designed to effectively manage situations within the field, at customer manufacturing premises, or inside Orhan plants across the entire supply chain. It includes clear escalation rules for managing and communicating both product and information flow in the event of a product recall or a significant quality event. Plant procedures are anticipated to enhance this framework, thereby upholding and elevating quality standards.



# Companies

## Quality and Product Safety



The overall responsibility for the implementation and effectiveness of this procedure lies with Orhan plants, with strong support from the Global Quality team and related support functions.

Communication and understanding of the Quality Policies and Procedures amongst employees are fundamental, ensuring that each organization member is aligned with the company's commitment to quality standards. The procedure's efficiency is regularly monitored, and performances are tracked weekly through quality KPIs at the plant level and monthly reviews at the executive committee level. This dual-layered approach ensures a comprehensive and continuous monitoring of quality standards, aligning operational and strategic objectives across different levels of the organization.

In alignment with our commitment to quality, Orhan Holding Automotive Group has established a rigorous framework for assessing customer satisfaction across all operational sectors. This comprehensive approach involves systematic interactions between our Sales Account Leaders and clients and regular consultations with Purchasing Departments, resulting in exhaustive reports from the Sales & Business Development department.

Additionally, we maintain an ongoing dialogue with our suppliers, closely monitoring vital performance metrics such as demerits and service delivery rates. Integral to this evaluative framework are supplier rankings issued by manufacturers, monthly insights on quality and logistics provided by our customers, and customer satisfaction surveys conducted by the Sales & Business Development Department. These extensive customer satisfaction measures drive our ongoing improvement initiatives, ensuring our services and products consistently exceed customer expectations.

This procedure establishes these KPIs, detailing the guidelines, computation methods and associated responsibilities. These KPIs serve as essential tools for performance measurement and management; corrective actions address deviations. The scope of this procedure is comprehensive, ensuring the maintenance of consistent quality standards across the organization.

Global Quality KPI Management Procedure at Orhan Holding Automotive Group is also crucial for evaluating and enhancing the quality of activities, teams and customer relationships.



**Orhan Holding**

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# Profit

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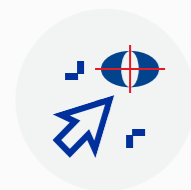


# Sustainability Strategy

*People, Profit, Planet*

Founded in 1972, Orhan Holding Automotive Group has emerged as a formidable force in the automotive industry, extending its influence across 13 countries on four continents.

Our journey is underscored by an unwavering commitment to the three core principles of People, Profit and Planet. These tenets are not just ideals; they are the bedrock of our approach to sustainable, ethical and socially responsible business practices.



Founded in  
**1972**



Extending its  
influence across  
**13 Countries**



# Sustainability Strategy

People, Profit, Planet



## > People

At the core of Orhan Holding Automotive Group's ethos is a profound dedication to its people - encompassing both our employees and customers. Our workforce, numbering 10,000, is our greatest asset, propelling innovation and excellence. The group cultivates a work environment anchored in safety, equity and inclusiveness. This is manifested in the group's comprehensive employment policies and our staunch support for collective bargaining. This commitment is further exemplified by an unwavering stance on diversity, inclusion and zero tolerance for discrimination, fostering a culture of respect and harmony. In parallel, Orhan Holding Automotive Group deeply values its customers, adopting a customer-centric approach that prioritizes satisfaction and proactive engagement. Our commitment to understanding and surpassing customer expectations through superior services and dependable products is pivotal. This focus not only fosters enduring relationships but also cements our reputation for excellence, trustworthiness, and a strong commitment to innovation in the global marketplace.



## > Profit

Our goal for long-term financial success is deeply connected to our commitment to growing in a way that's sustainable, innovative, and focused on quality. At Orhan Holding Automotive Group, we're strengthening our financial future by paying close attention to changes in the market, particularly the shift towards hybrid and electrification technologies. By embracing the latest technologies and optimizing our powertrain systems, we are not just keeping up—we're staying ahead. Our Continuous Improvement approach is a clear indication of how seriously we take operational excellence, showing our dedication to not only quality and efficiency but also to the well-being of our employees and ethical business practices. These elements are key to our sustained financial achievements and our position as a leader in the industry, all through the lens of sustainable growth.



## > Planet

Environmental responsibility is a fundamental aspect of the operations of Orhan Holding Automotive Group. Our adherence to environmental responsibility is exemplified by our diligent approach to developing environmentally responsible vehicles and our endeavors to reduce waste and pollution. This commitment is demonstrated by our efforts to recover non-recyclable wastes through technological advancements and the selection of lifecycle-compliant products. In addition, our organization aims to cultivate a culture of zero waste among both our staff members and their families. Our profound dedication to sustainability and environmental protection continues to be demonstrated through our participation in numerous community and environmental initiatives. This serves to underscore our responsibility as a corporate entity. By placing these three fundamental principles People, Planet and Profit at the heart of our strategy, Orhan Holding Automotive Group reaffirms its commitment to forging a sustainable future.



# Sustainable Governance

## Stakeholder Engagement



Orhan Holding Automotive Group adopts an all-encompassing definition of stakeholders, which includes business partners, customers, suppliers, employees, unions, local communities, government and regulatory bodies, financial institutions, non-governmental organizations (NGOs), and academia.

Orhan Holding Automotive Group persists in implementing efforts to strengthen its governance approach towards proficient stakeholder communication. As one of these actions; a stakeholder survey was employed by Orhan Holding Automotive Group to conduct a prioritization analysis during the period of 2022-2023. The survey played a crucial role in gathering the perspectives of stakeholders, which were subsequently examined in depth and incorporated into the strategic planning of the organization.

By following this procedure, it is ensured that the sustainability strategies not only corresponded with the goals of the organization but also mirrored the expectations of the stakeholders.

**Orhan Holding Automotive Group engages in stakeholder collaboration to carry out its materiality analysis, thereby ensuring that sustainability strategies are in accordance with the organization's goals and the expectations of its stakeholders. Consistent and transparent reporting demonstrates the company's proactive approach to addressing its societal, environmental and economic impacts.**

By maintaining a strict focus on stakeholder engagement, Orhan Holding Automotive Group consistently strengthens its market position, ensuring that its trajectory towards growth and sustainability is characterized by inclusivity and the backing of its stakeholders.

The table presented below displays the stakeholder list of Orhan Holding Automotive Group, together with the expectations of its stakeholders, the techniques used to interact with them and their levels of participation as per the AA1000 Stakeholder Engagement Standard.



**Every group is acknowledged for its distinct contribution and critical function in the organization's overarching business strategy and operational determinations.**

# Sustainable Governance

## Stakeholder Engagement Table

### ➤ Internal Stakeholders

#### Internal Stakeholders

| Stakeholder Group          | Expectations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Method of Engagement                                                                                                                                                                                                                                                         | Level of Engagement      |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>Employees</b>           | <ul style="list-style-type: none"> <li>A working environment that is fair, values human values, and ensures appreciation,</li> <li>A healthy and safe working environment,</li> <li>Rewards and recognition.</li> <li>Information security.</li> </ul>                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>Joint ventures,</li> <li>Partnerships,</li> <li>Multi-stake holders initiatives,</li> <li>Online collaborative portals.</li> </ul>                                                                                                    | Collaborate              |
| <b>Executive Committee</b> | <ul style="list-style-type: none"> <li>Sustainable growth,</li> <li>Increase in profitability,</li> <li>Meeting the strategic targets set,</li> <li>Increasing the company's prestige every year,</li> <li>Stability,</li> <li>Empowerment in chart of authority,</li> <li>Rewards and recognition,</li> <li>Information security.</li> </ul>                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>Integration of stakeholders into governance,</li> <li>Strategy and operations of the organization</li> <li>M&amp;A.</li> </ul>                                                                                                        | Collaborate              |
| <b>Plant Managers</b>      | <ul style="list-style-type: none"> <li>Compliance with rules for a healthy and safe working environment,</li> <li>Expectation of consistency in ethics rules and policy,</li> <li>Benchmarking with other plant managers</li> <li>Standardization &amp; stabilization &amp; compliance in the process,</li> <li>Empowerment,</li> <li>Support the long-term sustainability of operations with customers.</li> <li>Information security.</li> <li>Meeting plant strategic targets</li> <li>Increasing profitability</li> </ul> | <ul style="list-style-type: none"> <li>Joint project,</li> <li>Partnerships,</li> <li>Multi-stake holders initiatives,</li> <li>Online collaborative portals,</li> <li>Integration of stakeholders into governance, strategy and operations of the organizations.</li> </ul> | Collaborate<br>- Empower |
| <b>Shareholders</b>        | <ul style="list-style-type: none"> <li>Regular increase in company profitability,</li> <li>Development of the field of activity,</li> <li>Providing accurate, complete, timely and transparent information about activities,</li> <li>Evaluation of their ideas.</li> <li>Information security.</li> </ul>                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>Routine meetings,</li> <li>Financial reports and annual reports.</li> </ul>                                                                                                                                                           | - Transact               |

# Sustainable Governance

## Stakeholder Engagement Table

### ► External Stakeholders

#### External Stakeholders

| Stakeholder Group           | Expectations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Method of Engagement                                                                                                                                                                                                                             | Level of Engagement |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Unions</b>               | <ul style="list-style-type: none"> <li>A working environment that is fair, values human values, and ensures appreciation,</li> <li>A healthy and safe working environment for the protection and continuity of labor peace and welfare,</li> <li>Cooperation</li> </ul>                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>Multi-stake holders initiatives,</li> <li>Joint project,</li> <li>Online collaborative portals.</li> <li>Regular Meetings</li> </ul>                                                                      | Collaborate         |
| <b>Customers</b>            | <ul style="list-style-type: none"> <li>Developing customer-oriented solutions,</li> <li>Increasing customer satisfaction,</li> <li>Product safety &amp; quality,</li> <li>Compliance with environmental regulations,</li> <li>Hybrid &amp; electrification technologies</li> <li>Dissemination of smart technologies,</li> <li>Emission reduction initiatives,</li> <li>Ensuring data security and customer privacy,</li> <li>Innovation,</li> <li>Corporate values &amp; ethics,</li> <li>Information security</li> </ul> | <ul style="list-style-type: none"> <li>Customer Service Centers,</li> <li>Digital channels,</li> <li>Customer representatives,</li> <li>Social media channels,</li> <li>Customer satisfaction surveys,</li> <li>Sustainability Report</li> </ul> | Collaborate         |
| <b>Suppliers</b>            | <ul style="list-style-type: none"> <li>Complete and clear information including ethical and legal aspects in the contracts,</li> <li>Effective execution of post-order processes,</li> <li>Effective management of contract processes,</li> <li>Ethical supply &amp; chain management,</li> <li>Logistic Optimization,</li> <li>High-Level Technical Expertise,</li> <li>Information Security.</li> </ul>                                                                                                                  |                                                                                                                                                                                                                                                  | Transact            |
| <b>Partners / Alliances</b> | <ul style="list-style-type: none"> <li>Ensuring financial sustainability,</li> <li>Compliance with Corporate Governance Principles,</li> <li>Managing sustainability risks.</li> </ul>                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Information meetings,</li> <li>Meetings,</li> <li>Digital communication channels</li> <li>General Assembly Meetings,</li> <li>Online surveys.</li> </ul>                                                  | Collaborate         |



# Sustainable Governance

## Stakeholder Engagement Table

### ➤ External Stakeholders

#### External Stakeholders

| Stakeholder Group                                      | Expectations                                                                                                                                                                                                                                                                                                                                    | Method of Engagement                                                                                                                       | Level of Engagement                                                                |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>Government Institutions &amp; Regulatory Bodies</b> | <ul style="list-style-type: none"> <li>Follow-up on legislation,</li> <li>Compliance with the law,</li> <li>Transparency in communication,</li> <li>Reliability.</li> </ul>                                                                                                                                                                     |                                                                                                                                            | <ul style="list-style-type: none"> <li>- Collaborate</li> <li>- Empower</li> </ul> |
| <b>Financial institutions</b>                          | <ul style="list-style-type: none"> <li>Ensuring financial sustainability,</li> <li>Increasing transparency,</li> <li>Enhancing company reputation,</li> <li>Increasing the share of sustainability-related financing,</li> <li>Reducing the cost of financing,</li> <li>Ethical Compliance.</li> </ul>                                          | <ul style="list-style-type: none"> <li>Meetings,</li> <li>Audit</li> <li>Digital communication channels</li> <li>Regular Visits</li> </ul> | Involve                                                                            |
| <b>NGOs</b>                                            | <ul style="list-style-type: none"> <li>Communication and collaboration on ESG aspects,</li> <li>Leadership and awareness raising on social, financial and governance issues.</li> </ul>                                                                                                                                                         | <ul style="list-style-type: none"> <li>Meetings,</li> <li>Common Projects</li> <li>Seminars</li> <li>Online Platforms</li> </ul>           | Collaborate                                                                        |
| <b>Academia</b>                                        | <ul style="list-style-type: none"> <li>Support/collaboration in the process of adaptation and commercialization of the products to be developed within the scope of academic projects to the industry,</li> <li>Providing students with the opportunity to do long/short-term internships in accordance with their internship plans.</li> </ul> | <ul style="list-style-type: none"> <li>Training programs and meetings</li> </ul>                                                           | Negotiate                                                                          |
| <b>Local Communities</b>                               | <ul style="list-style-type: none"> <li>Communication and collaboration on ESG aspects,</li> <li>Social and environmental awareness,</li> <li>Corporate social responsibility projects.</li> </ul>                                                                                                                                               |                                                                                                                                            | Empower                                                                            |

# Sustainable Governance

## AA1000SES Participation Levels Descriptions



# Sustainable Governance

## Materiality Analysis

Orhan Holding Automotive Group aims to grow its presence as a responsible company in its sector all over the world with its commitment to ESG issues and 3P strategy (People, Profit, Planet). In this context, Orhan Holding Automotive Group has conducted a comprehensive materiality analysis in order to measure and manage its environmental, social and governance impacts. This analysis plays an important role in determining responsible sustainability strategies of Orhan Holding Automotive Group and increasing its positive impacts by managing its social and environmental impacts.

The results of this materiality analysis are also reflected in the sustainability report so that stakeholders can have detailed information about Orhan Holding Automotive Group's sustainability performance. In addition, in line with the findings of the analysis, Orhan Holding Automotive Group continues to develop various ESG initiatives and policies and takes responsibility for managing its material topics by conducting risk & opportunity studies on these topics.

Orhan Holding Automotive Group adopts the Double Materiality approach in this process. Double Materiality aims to measure not only the financial impact of an organisation, but also its positive or negative impact on society and the environment. To thoroughly embrace this approach, Orhan Holding Automotive Group conducted a survey that comprehensively encompasses all stakeholder groups. This includes business partners, customers, suppliers, employees, unions, local communities, government and regulatory bodies, financial institutions, non-governmental organizations (NGOs) and academia. The survey was designed to

cover insights from all these stakeholders, ensuring a complete understanding of the company's multi-dimensional impact and it provided significant outputs that reflect the diverse viewpoints and experiences of these stakeholders, offering valuable perspectives for the company's strategic decision-making and operational improvements.

Orhan Holding Automotive Group attaches great value to its stakeholders. With this analysis process, it aims to reveal the expectations and priorities of its stakeholders regarding ESG issues in detail. The analysis process carried out by Orhan Holding Automotive Group is based on international frameworks and standards.

Within the scope of the materiality analysis, risk and material topics of important international organizations such as WEF (World Economic Forum), MSCI (Morgan Stanley Capital International) and Sustainability Accounting Standards Board were taken into consideration.

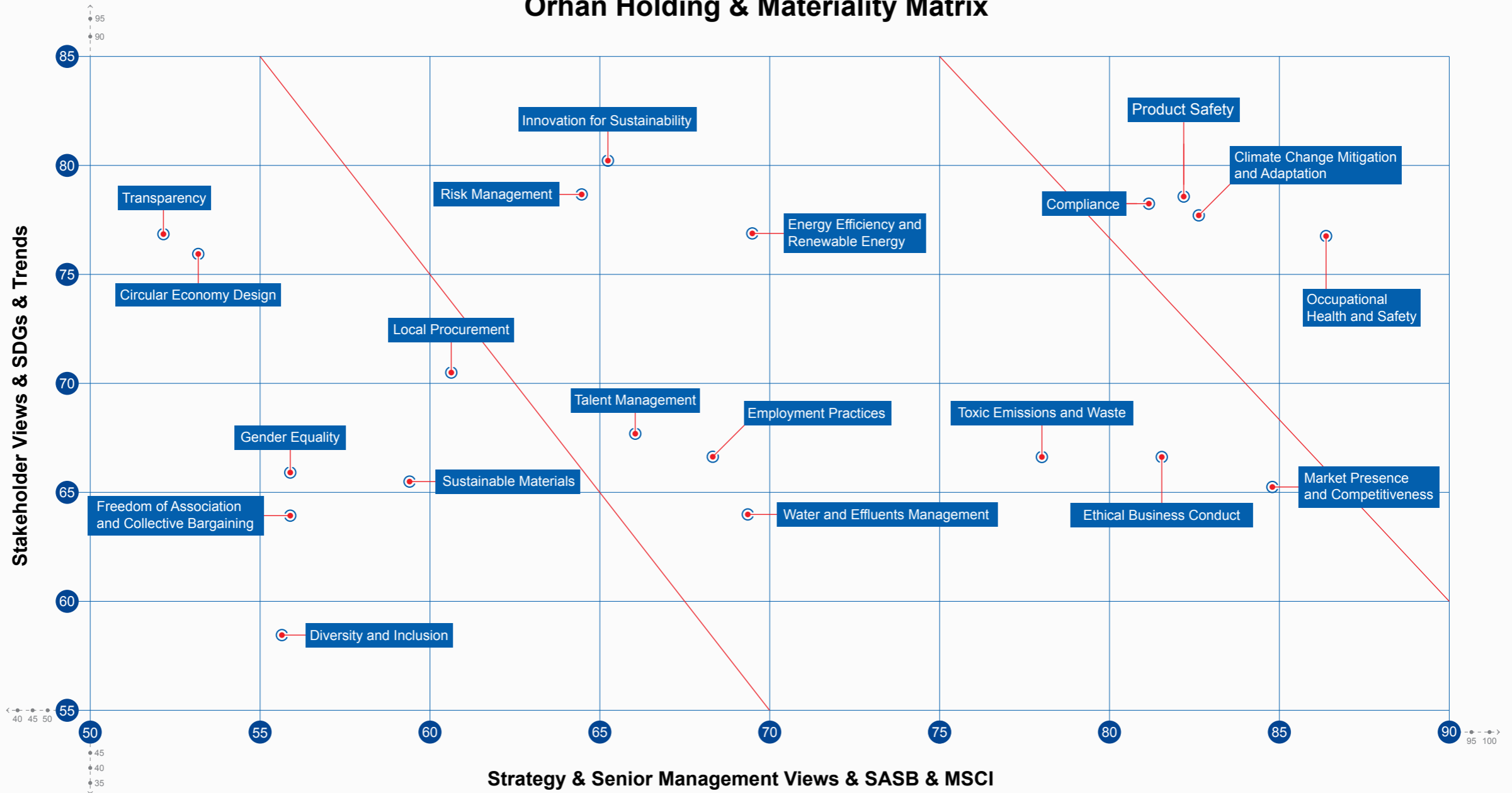
**Within the scope of the materiality analysis, risk and material topics of important international organizations such as WEF (World Economic Forum), MSCI (Morgan Stanley Capital International) and SASB Standards (Sustainability Accounting Standards Board) were taken into consideration.**



# Sustainable Governance

## Materiality Matrix

### Orhan Holding & Materiality Matrix



# Sustainable Governance

## Material Topics

### Low Priority



- Transparency
- Circular Economy Design
- Local Procurement
- Gender Equality
- Freedom of Association and Collective Bargaining
- Sustainable Materials
- Diversity and Inclusion

### Medium Priority



- Innovation for Sustainability
- Risk Management
- Energy Efficiency and Renewable Energy
- Talent Management
- Employment Practices
- Ethical Business Conduct
- Toxic Emissions and Waste
- Water and Effluents Management
- Market Presence and Competitiveness

### High Priority



- Climate Change Mitigation and Adaptation
- Product Safety
- Compliance
- Occupational Health & Safety

# Sustainable Governance

## Materiality Matrix

Within the Orhan Holding Automotive Group, the governance structure is carefully organized to uphold our core values of sustainability and equality. Our highest governance body includes specialized committees like the Sustainability Committee, Ethics Committee and Finance Committee, each responsible for overseeing different aspects of our operations, such as environmental, social and economic impacts. The independence and expertise of our board members are paramount, with an average tenure of 10 years, ensuring stability and deep organizational knowledge. Our company is dedicated to creating a more balanced and diverse workforce, actively implementing initiatives to enhance gender diversity and inclusion across all levels. At the Group, our senior management structure is firmly committed to principles of sustainability and equality, as evidenced by our dedicated support for the Women's Empowerment Principles and the Ten Principles of the United Nations Global Compact.

Our CEO has publicly endorsed the Women's Empowerment Principles, recognizing the critical role of gender equality in fostering a talented workforce, enhancing corporate competitiveness, fulfilling corporate responsibility and promoting sustainable development.

**We are particularly focused on integrating practices that empower women, understanding that gender equality is not only a moral imperative but also a key driver of business success.**

This commitment aligns with our broader strategy of incorporating sustainability and equal opportunity into our core business operations and decision-making processes.

Our support for these principles extends beyond mere advocacy; we are actively implementing them in our workplaces and communities, utilizing gender-disaggregated data in our sustainability reports to transparently communicate our progress.



**At the Group, our senior management structure is firmly committed to principles of sustainability and equality, as evidenced by our dedicated support for the Women's Empowerment Principles and the Ten Principles of the United Nations Global Compact.**

# Sustainable Governance

## Materiality Matrix

Advancing Together

bir 100 yıl daha  
birlikte ileriye

At Orhan Holding Automotive Group, company's sustainable business model is guided by the motto "Advancing Together" which encompasses economic, environmental, social and cultural aspects.

Our Nominations Committee rigorously evaluates candidates for our governance body, focusing not on attributes like age, gender, or ethnic background but rather on their capabilities, motivation and professional expertise in fields such as market know-how, strategy, environment, health and safety, sales, finance, production, quality and law. The executive committee reviews conflicts of interest, ensuring that board members maintain their independence.

CEO, plays a crucial role in aligning our governance with management, ensuring a coherent strategy towards sustainability and corporate responsibility. This includes the development and approval of our organization's mission, sustainability strategies and related goals, with a clear focus on reducing our carbon footprint, ethical supply chain management, robust occupational health and safety practices and investing in employee and community well-being. In terms of governance, Orhan Holding Automotive Group has established clear procedures for harmonizing diverse interests, ensuring that all decisions are made with fairness and objectivity.

Our reporting processes are robust, promoting transparency and accountability. We take pride in our proactive approach to managing our impacts on the economy, environment and society, reflected in our consistent and transparent reporting and our commitment to stakeholder engagement and responsible business practices.

Additionally, our commitment to the UN Global Compact reinforces our dedication to human rights, labor standards, environmental stewardship and anti-corruption measures. Our engagement with this initiative is not static; it involves an ongoing process of implementing and reporting on these principles annually. This commitment is articulated through a variety of actions, including CEO statements, detailed descriptions of practical actions taken and measurements of outcomes, ensuring we uphold our responsibilities in each of these critical areas.

**At Orhan Holding Automotive Group, company's sustainable business model is guided by the motto "Advancing Together" which encompasses economic, environmental, social and cultural aspects. This holistic approach is prominently reflected in our active participation and adherence to the United Nations Global Compact. By aligning our strategies and operations with the UN Global Compact's ten globally recognized principles, we demonstrate a strong commitment to sustainable and ethical business practices.**

Our proactive stance on human rights, labor standards, environmental challenges and anti-corruption efforts is integrated into our organizational strategies and operational policies. This alignment ensures that our journey towards sustainability and corporate responsibility is not only inclusive and impactful but also sets a model for others in the industry, reflecting our dedication to meeting and exceeding global standards in responsible business conduct.

# Sustainable Governance

## Materiality Matrix

Within the scope of the materiality analysis, risk and material topics of important international organizations such as WEF (World Economic Forum), MSCI (Morgan Stanley Capital International) and Sustainability Accounting Standards Board were taken into consideration.



Our association with MESS is crucial for maintaining connectivity with industry-specific developments and practices, particularly in the areas of manufacturing, environmental sustainability and safety.

Our participation in MESS reflects our aim to stay engaged with and contribute to the evolving standards and practices in our regional industry.



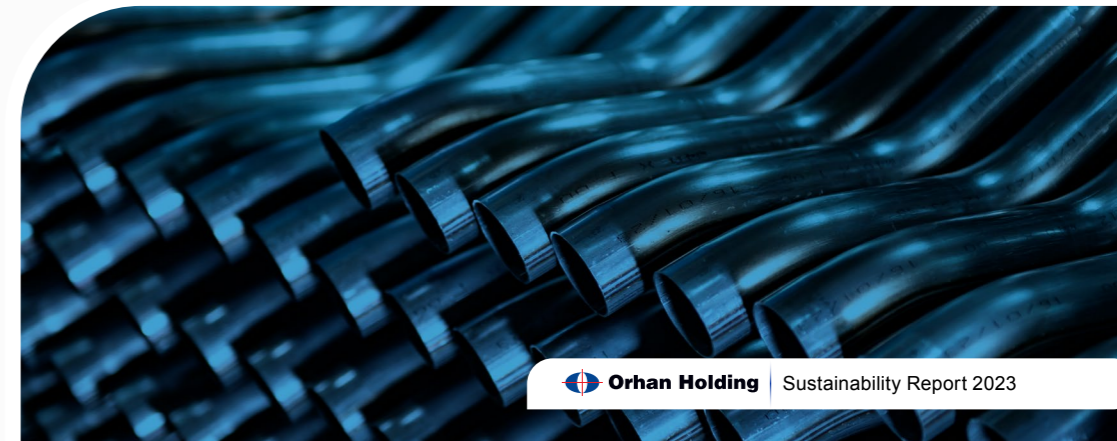
**Orhan Holding Automotive Group is actively engaged in both global and local activities and has a significant local presence as a member of the Turkish Employers' Association of Metal Industries (MESS).**

MESS, founded in 1959, is the largest Employers' Union in Türkiye. It represents more than 250 employer members in important areas like as automotive, white goods and iron and steel. The organization plays a pivotal role in Türkiye's industrial relations sector, making a substantial contribution to the country's economy through the direct employment of 210,000 individuals and the indirect support of over 1 million jobs. The members of MESS, which include both small businesses and large multinational corporations, annually contribute more than 60 billion dollars to the economy and represent 40% of the country's total exports.

Our association with MESS is crucial for maintaining connectivity with industry-specific developments and practices, particularly in the areas of manufacturing, environmental sustainability and safety.

MESS plays an active role in promoting conversation and sharing of information within the metal industry, with the aim of advancing the shared objectives of the industrial sector and the nation. The group guarantees equitable representation of its members during Collective Bargaining Agreements, by addressing their rights and needs while promoting agreements with Worker Unions.

Being a member of MESS provides us with opportunities to collaborate with industry peers, exchange knowledge and contribute constructively to the metal industry in Türkiye. Our participation in MESS reflects our aim to stay engaged with and contribute to the evolving standards and practices in our regional industry.





# Innovation for Sustainability

In recent years, the automotive industry has witnessed a significant shift towards hybrid and electrification technologies, driven by global efforts to reduce carbon emissions and enhance sustainability. This transition from traditional internal combustion engines to more eco-friendly alternatives is reshaping the automotive sector. Orhan Holding Automotive Group, keenly aware of these trends, is proactively adapting its research and development strategy.

The company is focusing on innovative studies and technologies that support the evolution of hybrid and electrification technologies. This includes developing advanced components and systems that are essential for the new era of automotive design, such as efficient battery thermal management, HVAC, Hydrogen systems, and state-of-the-art fluid transfer systems. By doing so, Orhan Holding Automotive Group is not only staying abreast of industry changes but is also positioning itself at the forefront of the technological transformation in the automotive sector. In line with these efforts, Orhan Holding Automotive Group is also implementing practical sustainability measures within its operations. For instance, at the Matay a well-managed waste treatment system is integral to reducing environmental impact, while at Nobel Automotive an efficient evaporation system contributes to innovative sustainable practices. Moreover, Orhan Holding Automotive Group has a dedicated team focusing on digital transformation. This team ensures that innovative approaches are not only identified but also effectively implemented and shared across global platforms.

This is complemented by a continuous improvement team that facilitates the exchange of best practices among all plants monthly, fostering a culture of ongoing advancement and collaboration. These steps signify Orhan Holding Automotive Group's commitment to staying at the forefront of the automotive sector's technological and ecological transformation, balancing innovation with environmental responsibility.



**Balancing  
Innovation**

**with environmental  
responsibility**

# Risk Management

Orhan Holding Automotive Group's approach to maintaining high standards in risk management and responsible business conduct is comprehensive and multifaceted. Auditing processes an integral part of risk management, span planning and executing internal quality system, process and product audits, as well as managing external audit activities. For Orhan Holding Automotive Group, it is crucial to ensure compliance with international standards, customer requirements and organizational procedures. Following the protocols of the Orhan Business System (OBS), internal audits across all processes within the organization are conducted at least once every three years in each plant or function. These include thorough examinations during shift handovers or changes and an annual review of all product groups, ensuring a dynamic and responsive approach to quality control.

The risk management system within Orhan Holding Automotive Group is an integral and qualitative process that permeates through all organizational procedures. A key component of this system is the adoption of risk-based thinking, a technique that is deeply ingrained and supported across the company. This approach is not limited to specific teams or individuals; it is a universal practice, internalized and applied by everyone in the organization, from junior staff to senior management, across all aspects of operations. This culture of risk awareness and proactive management contributes significantly to maintaining the high standards of quality and responsibility that define Orhan Holding Automotive Group.

In addition to this auditing framework, Orhan Holding Automotive Group is committed to the remediation of negative impacts through a three-step process: identification, action and review.

**Any identified negative impacts are promptly addressed and the effectiveness of the remediation is reviewed by an internal committee. The group maintains established mechanisms for identifying and addressing grievances, where all issues are logged and reviewed monthly.**

Group's regular environmental and social audits, supported by certifications in ISO 45001, ISO 14001 and ISO 16949, further enhance our commitment to continuous improvement and compliance. Stakeholder involvement is crucial in our operations. We engage our stakeholders in the annual review of our grievance mechanisms, incorporating their feedback through focus groups and surveys. This stakeholder feedback, along with established Key Performance Indicators such as grievance resolution speed and stakeholder satisfaction, helps us track the effectiveness of our remediation processes. Our recent reviews have shown a high rate of stakeholder satisfaction, reflecting the efficacy of our systems.

Supporting our ethical business conduct, we have established an internal Responsible Ethical Conduct Ethics Committee, accessible through various means including an intranet portal and face-to-face meetings. We provide a confidential whistleblowing hotline for employees to anonymously report concerns about

business conduct. Both the ethics committee and the hotline are key elements in our comprehensive approach to ensuring adherence to ethical standards and their effectiveness is reviewed annually. This integrated approach to auditing, grievance management and ethical conduct underlines our dedication to upholding the highest standards in every aspect of our operations at Orhan Holding Automotive Group.



**Orhan Holding Automotive Group's regular environmental and social audits, supported by certifications in ISO 45001, ISO 14001 and ISO 16949, further enhance our commitment to continuous improvement and compliance.**

# Risk Management

## Operational Risks

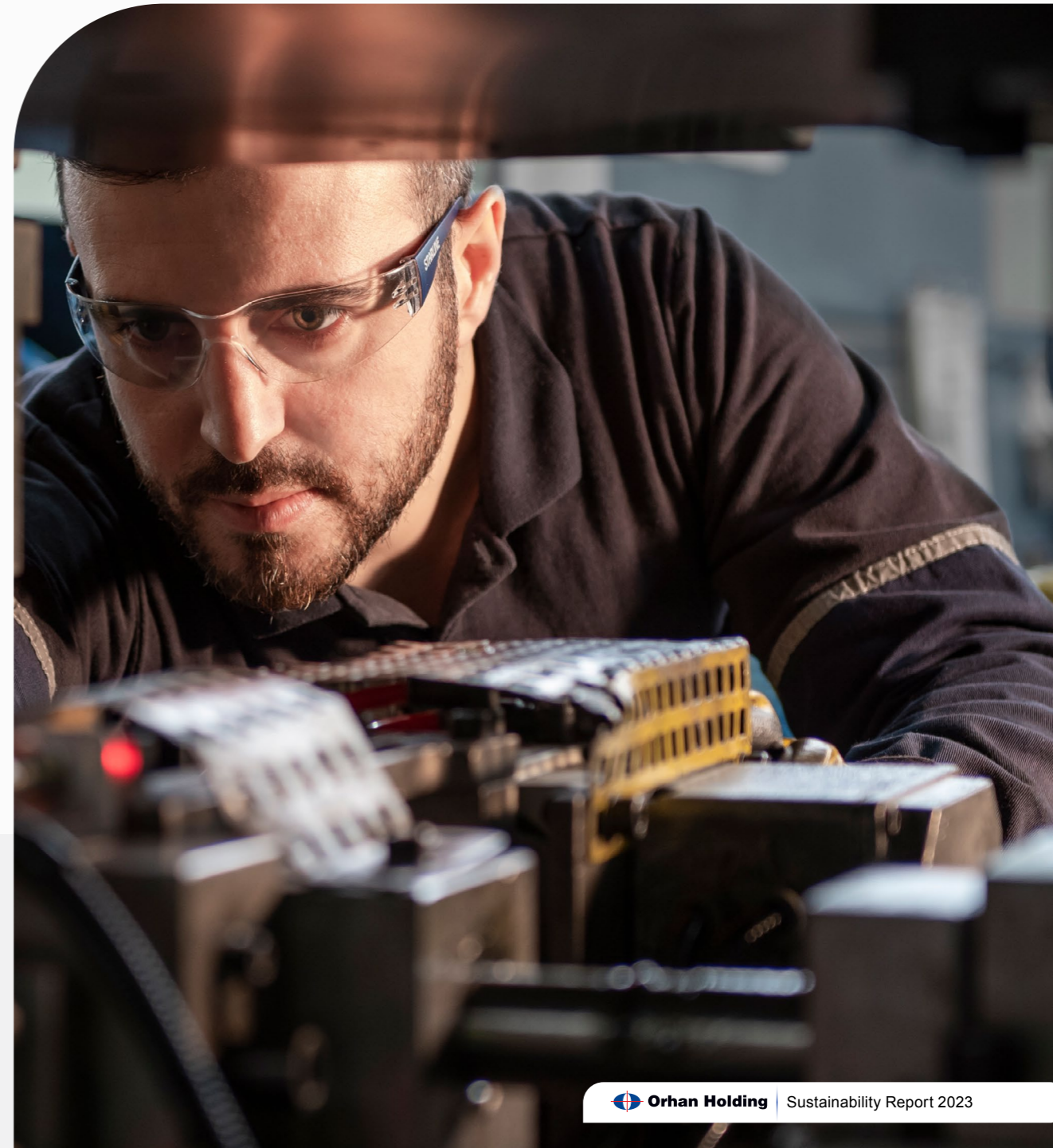
Orhan Holding Automotive Group exhibits a comprehensive and systematic approach to Occupational Health and Safety (OHS), grounded in the principles of continuous improvement. Their approach is employee-centric, ensuring not only compliance with legal requirements but also integrating innovative methods that go beyond these standards. By prioritizing OHS in the planning and design phases, the company effectively minimizes operational risks. Throughout every stage of implementation, safety remains a paramount concern. The standards adopted by Orhan Holding Automotive Group align with both international guidelines and specific customer needs, demonstrating their commitment to maintaining high levels of safety and care in all operations. Orhan Holding Automotive Group's comprehensive audit and improvement procedures play a crucial role in enhancing customer satisfaction and ensuring operational safety. This system applies across all Orhan Holding Automotive Group plants, integrating customer-specific requirements from customers. A significant part of these procedures includes conducting internal and external audits to ensure compliance with international standards, customer requirements and organizational procedures.

The audits carried out at planned intervals, assess various aspects of the Orhan Business System, including quality systems, processes, and products. These audits are critical in identifying risks and weak points and ensuring that product characteristics meet predefined specifications and standards. Furthermore, the auditing criteria and methodologies are carefully defined, with a specific focus on process risk analysis, control plans and customer expectations. The prompt and thorough response to these nonconformities, including the implementation of corrective actions and verification of their effectiveness, is crucial in maintaining high standards of quality and customer satisfaction. Orhan Holding Automotive Group's audit and improvement procedures are integral to maintaining product quality, ensuring operational risk management and enhancing customer satisfaction.



**OHS**  
Occupational Health  
and Safety

*grounded in the principles of continuous improvement.*



# Supply Chain Management and Local Procurement

Orhan Holding Automotive Group has established a comprehensive and multi-faceted approach to managing its supply chain, emphasizing sustainability, quality, OHS and ethical practices.

The company's strategy encompasses various facets, from careful supplier assessment and ongoing performance monitoring to the enforcement of strict Corporate Social Responsibility (CSR) guidelines. Central to Orhan Holding Automotive Group's supplier management strategy is a detailed supplier assessment procedure. This procedure is not just a formality but a thorough process to evaluate and select suppliers based on their ability to meet the standards set by Orhan Holding Automotive Group. The process involves a systematic evaluation of suppliers' capabilities in delivering quality products in accordance with the company's rigorous requirements. To facilitate this, Orhan Holding Automotive Group maintains an Approved Supplier Assessment List, which serves as a dynamic record of suppliers who meet their high standards. This list is continuously updated, reflecting the ongoing assessments and necessary actions arising from these evaluations.

In line with its commitment to quality, Orhan Holding Automotive Group also has in place an ongoing supplier performance monitoring system. This system is designed to carefully track the performance of suppliers in terms of quality and logistics. A crucial aspect of this system is the escalation process, which is activated in the event of any adverse or deteriorating performance indicators. This proactive strategy helps with long-term planning and development efforts in addition to ensuring prompt issue correction, upholding a uniform standard of quality throughout all Orhan Holding Automotive Group locations worldwide.

Quality development among suppliers is another key focus area for Orhan Holding Automotive Group. The Supplier Quality Development (SQD) Plan represents a vital component of the company's corporate responsibility efforts, focusing on enhancing supplier performance and maintaining high-quality standards.

Initiated under specific circumstances, this plan embodies the company's commitment to collaborative improvement with its suppliers. It is structured in phases to ensure a comprehensive approach, encompassing initial assessments, continuous monitoring and regular reviews. This strategy not only emphasizes the importance of effective supplier relationships but also integrates practices that are crucial for maintaining operational efficiency.

The company mandates its suppliers to develop and continuously improve their Quality Management Systems (QMS), aligning with the Automotive QMS Standard. This is a step towards ensuring that suppliers not only meet the current standards but are also geared towards future enhancements in quality management. Regular re-evaluations of suppliers are conducted to ensure they remain compliant and capable of meeting the evolving requirements of Orhan Holding Automotive Group.

Parallel to the SQD Plan, the Supplier Safe Launch (SSL) Report system and the Passthrough Incident Follow-up process demonstrate the company's proactive approach to addressing potential challenges and ensuring quality in the supply chain. These processes are integral to the company's commitment to customer satisfaction and operational integrity.

Orhan Holding Automotive Group's supplier management framework is dictated by the Global Supplier Quality Manual (GSQM) where Orhan Holding Automotive Group's expectations and requirements from its suppliers are presented. It underlines the critical role suppliers play in the global automotive supply chain. The GSQM provides comprehensive guidelines for suppliers, outlining standards for product quality, operational integrity and the principles of a performance-based partnership. These standards stand as a clear indication of Orhan Holding Automotive Group's dedication to cultivating robust and mutually advantageous partnerships with its suppliers, grounded in transparent, uniform and equitable principles.

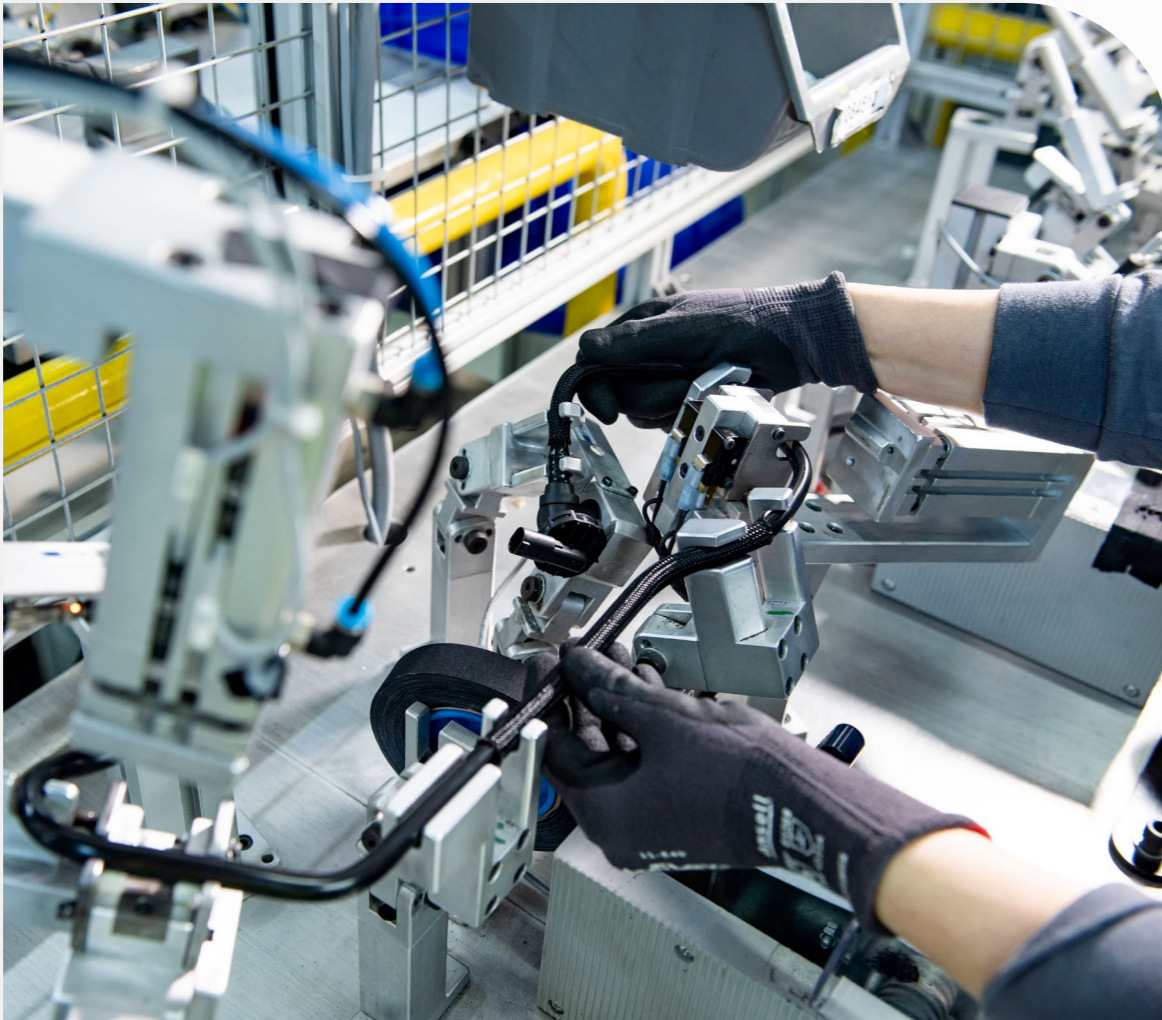


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**The Supplier Quality Development (SQD) Plan represents a vital component of the company's corporate responsibility efforts, focusing on enhancing supplier performance and maintaining high-quality standards.**

# Supply Chain Management and Local Procurement



At the heart of Orhan Holding Automotive Group's approach to managing supplier relationships is the emphasis on effective communication and dialogue. The company consistently keeps the lines of communication open with its suppliers, guaranteeing that expectations are explicitly conveyed and any concerns are promptly resolved. Such ongoing dialogue is essential in establishing a foundation of mutual trust and benefit, aligning suppliers with Orhan Holding Automotive Group's commitment to sustainability and ethical business practices. In addition, the regular Supplier Quality Reviews and the detailed Incident Escalation Process highlight the company's dedication to transparency and accountability in supplier interactions. Additionally, the focus on Supplier Audit Planning and Kick-off Readiness, especially during critical periods, reflects the company's adaptability and commitment to safety and reliability.

At the Group, the Incident Management process is a critical framework designed to efficiently handle unplanned events that could disrupt services, specifically tailored to the organization's global information technology functions, manufacturing plants and support locations. This process encompasses the identification and management of any incident that unexpectedly arises and has the potential to hinder service operations. Incidents are reported through various channels, including direct communication from users or customers via the Service Desk or Technical

Support, as well as through different event interface tools within the company. Once an incident is identified, the process involves a systematic approach to assess its impact, decide on the most effective response and mobilize the necessary resources to restore normal service operations swiftly. This structured and proactive approach is essential for Orhan Holding Automotive Group to maintain service continuity and mitigate the impact on business operations, ensuring the smooth running of its various functions.

Overall, Orhan Holding Automotive Group's approach to supplier management is comprehensive and multifaceted. It extends beyond mere transactional relationships, aiming to build a network of suppliers who are not only capable of delivering high-quality products but are also aligned with the company's values of sustainability, ethical practices and social responsibility.

Through these efforts, Orhan Holding Automotive Group ensures the resilience and integrity of its supply chain, contributing significantly to its reputation as a leader in the automotive industry. The company's commitment to these principles reflects its dedication to not just maintaining but continually enhancing the standards of its products and services, while also positively impacting the broader community and environment. This approach not only strengthens Orhan Holding Automotive Group's corporate responsibility but also reinforces its position as a leader in the automotive industry.

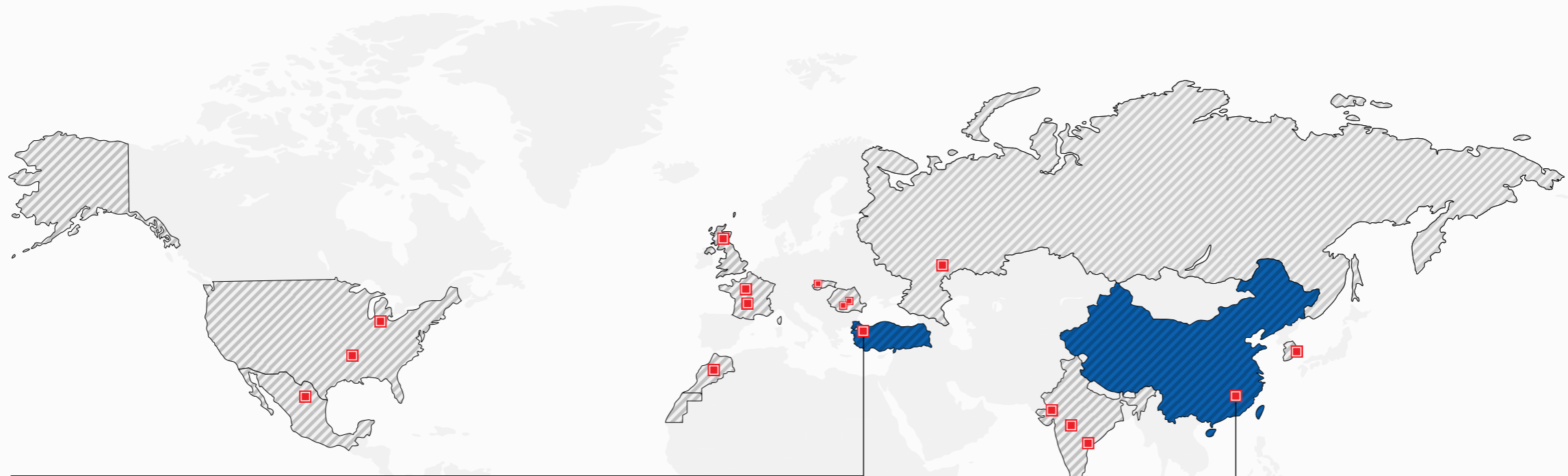


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# Supply Chain Management and Local Procurement

## Supply Chain Management and Local Procurement

Orhan Holding Plants and Engineering Center



### Matay's Görükle Plant

#### GPOTC

Engagement with suppliers is governed by Global Purchase Order Terms and Conditions (GPOTC) and nomination letters.

**50%**

The plant has an equal split in sourcing, with 50% of direct suppliers being local and 50% being international.

### Nobel Rocket Chongqing Plant

**74%**

A significant portion, 74% of parts and numbers are sourced locally.

**62**

domestic suppliers

**14**

international suppliers.

**73**

suppliers

A comprehensive preliminary assessment has been completed for 73 suppliers.

The plant works with 62 domestic suppliers alongside 14 international suppliers.

# Market Presence and Competitiveness

Orhan Holding Automotive Group's Continuous Improvement Management System exemplifies operational proficiency, emphasizing quality and efficiency in manufacturing. This robust system incorporates advanced quality control with lean manufacturing techniques to prevent defects and eliminate waste in every operational aspect. It is founded on maintaining processes that are capable, repeatable and well-controlled, with a strong focus on continuous improvement through both major and quick kaizen. Exceptional achievements are celebrated with annual awards. A vital component of this system is employee involvement, facilitated through digital platforms and user-friendly programs, enabling staff contributions at any time. This inclusive approach enhances effectiveness and drives significant benefits for Orhan Holding Automotive Group's manufacturing units and the entire group.

The system offers numerous advantages, such as enhanced product quality, resulting in fewer defects and increased customer satisfaction. It also improves efficiency and organization in the workplace using tools like 5S, Visual Management and Standardized Work, which leads to reduced inventory levels in the supply chain, better supplier performance and substantial space savings. Additionally, the system encourages greater manufacturing flexibility and simplifies the process of identifying waste and future improvement opportunities, all while contributing to a safer working environment.



**Orhan Holding Automotive Group's Continuous Improvement Management System exemplifies operational proficiency, emphasizing quality and efficiency in manufacturing.**

Employee engagement is another critical aspect, with a focus on morale, education, training and ensuring the right talent is placed in the right jobs. This engagement extends to encouraging employee involvement in proactive problem-solving and idea generation. The system also enhances organizational communication, reduces equipment breakdowns and cuts down energy consumption across various resources like power, water and fuel.

To ensure the effective implementation of these processes, regular audits are conducted in accordance with the requirements of the Continuous Improvement System, where continuous improvement audits are carried out both globally and on a plant basis as a function at the chief level. Responsibility for upholding these standards lies with all managers, particularly Plant Managers and Executive Committee members, who lead continuous improvement activities. Additionally, designated Continuous Improvement Leaders at the plant level and functional leaders are tasked with effectively implementing and deploying specific clauses of the system.

# Market Presence and Competitiveness

## Benefits of Continuous Improvement System

- Improved Quality, fewer defects and improved customer satisfaction
- Improved Supplier Key Performances Indicators
- Improved employee motivation and skills
- Increased efficiency and improve workplace organization
- Space reduction & equipment breakdown reduction
- Placement of tight talent to the right job
- Improved and innovative occupational health and safety system
- Enhanced overall manufacturing flexibility
- Improving organizational communication
- Highly aware employee engagement and effective employees
- Make identifying waste and future Kaizen easier
- Reduce energy consumptions (Power, Water, Air, Gas & Diesel etc.)
- Reduced Inventory within the supply chain
- Improved safer working environment
- Improve employee engagement to idea generation to prevent & solve any problems proactively through value add



# Compliance



**During the reporting period, Orhan Holding Automotive Group successfully maintained full compliance with all relevant laws and regulations, with no instances of non-compliance recorded.**

This includes an absence of both fines and non-monetary sanctions, highlighting a commitment to ethical practices and legal standards. The strategy for ensuring compliance is robust, featuring regular audits and extensive training programmes that emphasize the importance of regulatory adherence. When determining what constitutes a significant instance of non-compliance, Orhan Holding Automotive Group's focus is on the potential impact on stakeholders, the environment and the organization's reputation, considering any situation leading to fines or sanctions as material. Orhan Holding Automotive Group's Corporate Social Responsibility (CSR) policy demonstrates a strong commitment to ethical and legal compliance across various domains. It insists on strict adherence to laws in all operational countries and mandates comprehensive training and policy development to ensure full compliance. The policy takes a firm stand against corruption, emphasizing transparent dealings and prohibiting any form of bribery or unethical inducement, in alignment with Orhan Holding Automotive Group's Code of Business Ethics. By addressing export control laws, it ensures adherence to international regulations regarding business dealings and exportation. In terms



of competition, Orhan Holding Automotive Group promotes fair play and prohibits practices like price fixing or conflict of interest. A key element of their policy is the focus on harmonizing diverse interests in sourcing and the protection of intellectual property rights. They enforce adherence to laws regarding the ethical acquisition of minerals, encouraging suppliers to adopt similar policies and to be transparent about their sourcing practices from regions known for responsible mining. In terms of intellectual property, the policy highlights the significance of respecting

and safeguarding all intellectual assets. Orhan Holding Automotive Group also mandates that their suppliers and partners do not use and actively prevent the use of counterfeit parts in their products. They are required to have effective processes in place to detect, report and address counterfeit or suspected counterfeit parts within the supply chain. Additionally, suppliers must be knowledgeable about the origins of all parts and materials, ensuring their authenticity and be responsive to requests for information about the source of any parts or materials. The protection

of personal and confidential information is highly emphasized in order to ensure legal compliance, maintain trust and reputation, prevent identity theft and fraud and uphold ethical standards in handling sensitive data. The policy mandates the legitimate collection and use of data, stressing the importance of maintaining strict confidentiality and the security of sensitive information.

# Corporate Culture

## Ethical Business Conduct

Orhan Holding Automotive Group emphasizes a strong commitment to integrity, confidentiality, avoiding conflicts of interest, and fostering a safe and fair working environment. At the heart of the company's ethical framework are integrity and honesty, which are deemed essential in all business processes and interactions, particularly in dealings with employees and stakeholders grounded in these values. A significant emphasis is placed on confidentiality, with the protection of sensitive information such as trade secrets, financial data, personal employee details, and information governed by confidentiality agreements. Employees are entrusted with the responsibility of safeguarding this information, using it solely for the company's purposes and sharing it only with authorized parties. This extends to a prohibition against using confidential information for personal, financial or commercial gain.

In addressing conflicts of interest, the company maintains high ethical standards, requiring that employee actions and relationships are free of personal bias and conflicting interests. Orhan Holding Automotive Group maintains a stringent policy prohibiting the exploitation of one's position for personal or familial gain, which includes the misuse of company resources or leveraging the organization's reputation for personal benefit.

**Orhan Holding Automotive Group prioritizes creating and maintaining a safe and fair working environment.**

The company acknowledges that some situations may arise where interests could align ethically and legally, and in such cases, employees are advised to manage these scenarios transparently, seeking guidance from designated authorities, including the Ethics Board.

This involves establishing a respectful, healthy, and safe workspace that is compliant with all relevant laws and regulations. The aim is to enhance employee performance, development and commitment, reflecting the company's dedication to ethical business practices and a culture of trust and accountability.

Orhan Holding Automotive Group is an equal-opportunity employer. Discrimination based on language, race, color, gender, political opinion, creed, religion, sect, age, physical challenge, or similar causes is not tolerated. No employee may demand any privilege based on a different gender, religion, language, or race; no one shall be privileged and be subject to special treatment. Giving or obtaining concessions because of differences in gender, religion, language, race, etc. is not accepted.

Orhan Holding Automotive Group will comply with all applicable employment laws. It will not employ children under the age of sixteen even if such conduct is legally permissible, unless such employment is part of a valid apprenticeship or work-study program. A positive and harmonious work

environment is established within the Orhan Holding Automotive Group to promote cooperation of people with different creeds, beliefs, and opinions. A healthy and safe physical working environment and conditions shall be established for all employees.

Orhan Holding Automotive Group will also not utilize any forced or similar involuntary labor. Orhan Holding Automotive Group is committed to wage and benefit levels that address the basic needs of its people in light of local conditions. Orhan Holding Automotive Group will abide by all applicable laws related to limits on regular and overtime working hours and compensation. Personal information concerning personnel which

are basis to and continuity of the employment relation may not be used outside their purpose and context or shared with third persons without the individual's consent.



# Corporate Culture

## Ethical Business Conduct

### Our Responsibilities

# 1

#### Legal Responsibilities

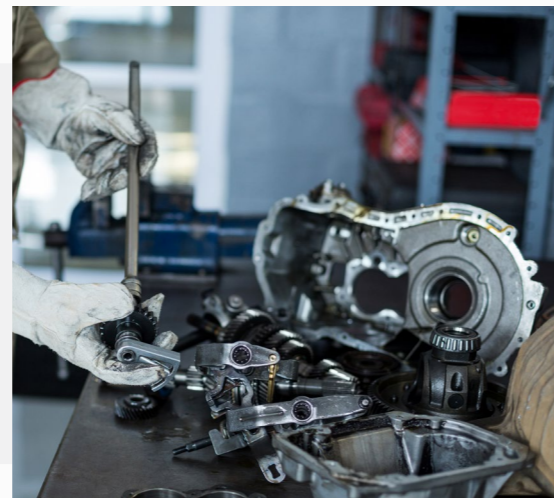
Orhan Holding Automotive Group executes all its domestic and international activities and procedures within the framework of the laws of the country that are being operated in, with respect to international laws; and it submits all required information to regulatory authorities and institutions in a correct, complete, clear and timely manner. In executing all activities and procedures, the company does not expect any benefit from and keep an equal distance to all public institutions and organizations, administrative bodies, non-governmental organizations and political parties; and it fulfills its liabilities with a sense of responsibility.



# 2

#### Our Responsibilities towards Our Customers

Orhan Holding Automotive Group adopts an approach which is focused on customer satisfaction and is proactive in responding to customers' needs and demands in an appropriate and timely manner. This is facilitated by the group's extensive network of 15 plants, which enables efficient and effective service delivery. It delivers services on time and under the promised conditions and approaches customers with respect, honor, fairness, equality and courtesy, reflecting its dedication to customer satisfaction and proactive response to their needs and demands.



# 3

#### Our Responsibilities towards Our Employees

Orhan Holding Automotive Group empowers its employees by fully supporting their personal rights, fostering a culture of honesty and fairness. The company is committed to creating an unbiased, secure and healthy working environment, prioritizing the well-being of its staff. This commitment extends to promoting personal development opportunities, encouraging employees to engage in socially beneficial activities and supporting volunteerism that aligns with the company's values of social responsibility. Orhan Holding Automotive Group is mindful of the work-life balance of its employees, ensuring this equilibrium is respected and maintained. The company also recognizes and upholds the rights of its employees to freedom of association, as per local laws. This approach to employee rights and well-being is rooted in the ethos of the company, mirroring the ethical standards and perspectives of its founders. In doing so, Orhan Holding Automotive Group aligns itself with broader commitments to legal compliance and adheres to the principles of social responsibility organizations, reflecting a deep-seated belief in operating as an ethical and responsible business.



# Corporate Culture

## Ethical Business Conduct

### 4

#### Our Responsibilities towards Our Suppliers/ Business Partners

Orhan Holding Automotive Group acts respectfully and fairly as expected from a good customer and ensures to fulfill our liabilities on time. Orhan Holding Automotive Group will select suppliers and business partners on the basis of total value, including quality, price and services offered. All business partners will be treated honestly and fairly. The company carefully protects confidential information pertaining to the persons, organizations and our suppliers/business partners.



### 5

#### Our Responsibilities towards Our Competitors

Orhan Holding Automotive Group competes effectively, only in areas that are legal and ethical and avoid unfair competition. All affiliates of Orhan Holding Automotive Group are strictly prohibited from engaging in any form of collusion with competitors that could restrict competition. This includes, but is not limited to, agreements or coordination on pricing, credit terms, discounts, services, delivery schedules, production capabilities, product quality, or cost structures. All unnecessary interactions with competitors are avoided to ensure compliance with ethical standards and conduct.



### 6

#### Our Responsibilities towards the Community, Society and Environment

Orhan Holding Automotive Group acts in a responsive and sensitive manner in the countries that it is operating in and towards the customs and culture of those countries where it undertakes international projects. The company does not offer and accept bribes or gifts in forms of products or services beyond commonly accepted reasonable limits. Orhan Holding Automotive Group has a long-standing heritage of respect for the environment. All affiliates of the company work to minimize waste, prevent pollution and conserve energy. Every Orhan Holding Automotive Group plant complies with all permits and authorizations and abides by Orhan Holding Automotive Group global environmental standards and requirements. All plant materials and waste are handled in strict compliance with all governmental and Orhan Holding Automotive Group requirements including storage, labeling, handling, disposal, reporting, training and record keeping. All processes are managed and kept under control through determined KPIs.



# Corporate Culture

## Ethical Business Conduct

### 7

#### Our Responsibilities Concerning the “Orhan” Name

At Orhan Holding Automotive Group, we are committed to establishing and maintaining trust-based relationships with our business partners, customers and other stakeholders. The company strives to keep its reputation at the highest level. Orhan Holding Automotive Group offers services within the framework of company policies, professional standards, commitments and ethical codes; and ensures to fulfill its liabilities. Services are offered by Orhan Holding Automotive Group in areas where it is believed that professional competence is or will be established; engagement is sought with customers, business partners and employees who are recognized for demonstrating integrity and legitimacy. Orhan Holding Automotive Group is committed to collaborating with partners who uphold social ethics and contribute positively to environmental protection and public health.

Accordingly, suppliers, partners and third parties associated with Orhan Holding Automotive Group are required to adhere to a policy of full disclosure. This policy mandates that they must immediately notify Orhan Holding Automotive Group if any of their shareholders, employees, or their family members are employed by, have a financial stake in, or maintain any current or past business relationships with Orhan Holding Automotive Group.

By enforcing this policy, the company aims to identify and mitigate potential overlaps of interest, ensuring that all business decisions are made objectively and ethically. This practice is not only crucial for maintaining the company’s integrity but also reinforces the commitment to ethical business conduct.



We uphold a strong commitment to ethical practices, underpinned by the presence of a dedicated Ethics Committee. This committee plays a pivotal role in ensuring adherence to our ethical standards. Upon receiving a notification of an ethical concern, the Ethics Committee promptly convenes a meeting to address the issue, guided by our well-documented ethical procedures. Orhan Holding Automotive Group enhances its ethical commitment by providing an email-accessible ethics hotline for transparent communication and by integrating ethics training into new employee orientation to align them with the company’s code of conduct, thus fostering a responsible and transparent workplace culture.

# Corporate Culture

## Transparency

Orhan Holding Automotive Group is committed to fostering transparent relationships with stakeholders, underlined by reliable and open communication. This is pivotal to the company's operations, as it continually seeks to meet and surpass customer expectations with integrity.

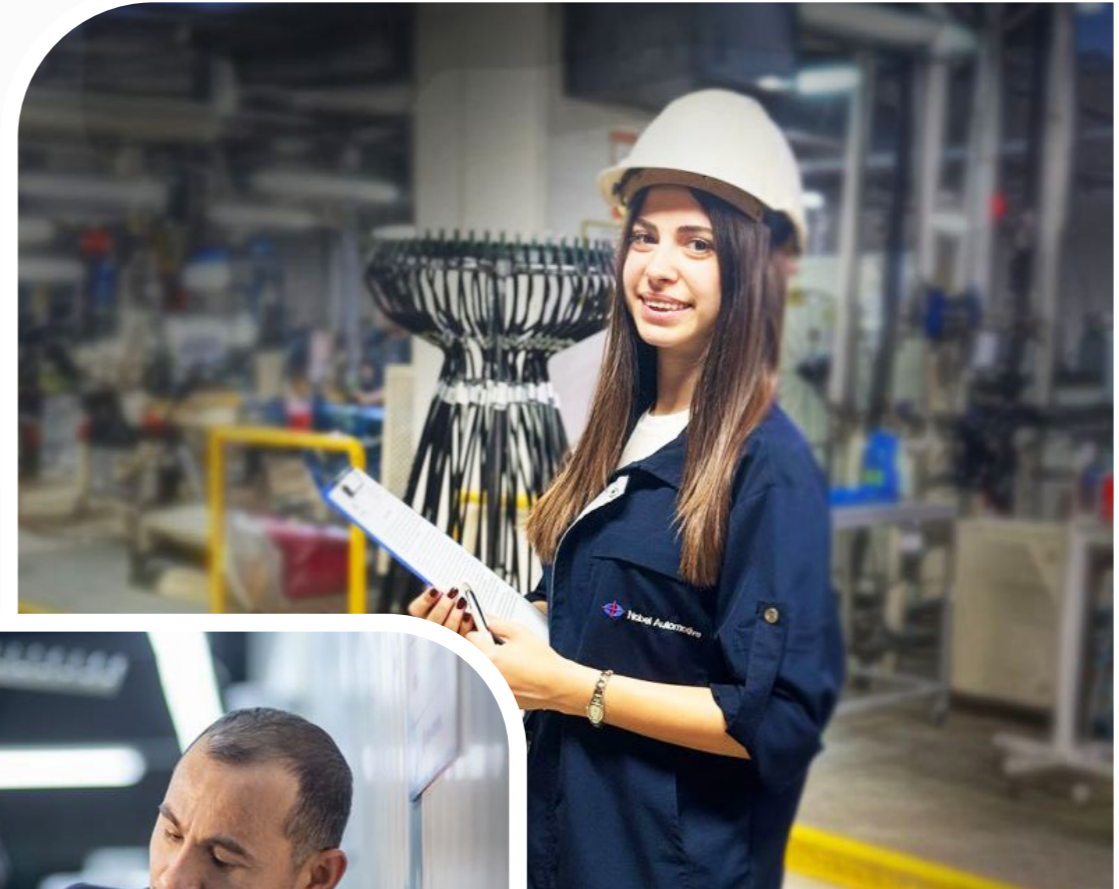
Orhan Holding Automotive Group maintains transparency in workforce reporting, consistently presenting accurate headcount totals at the end of each reporting period. This reflects a commitment to clear and forthright communication regarding Orhan Holding Automotive Group's employment practices. The company's sustainability strategies are formulated through stakeholder collaboration and materiality analysis. This ensures that the strategies align with the company's objectives and stakeholder expectations, reinforcing the value placed on transparent reporting and accountability.

The reporting processes, characterized by their robustness, further illustrate the company's dedication to transparency and corporate responsibility. In managing various interests, the company promotes a culture of openness.

Orhan Holding Automotive Group's approach to transparency not only adheres to ethical standards but also actively shapes the company's culture and operational philosophy.



**Governance procedures at Orhan Holding Automotive Group are designed to prevent and address conflicts of interest, highlighting the importance of transparent and ethical decision-making.**



**Employees are guided to manage these situations with transparency, consulting with the Ethics Board as necessary.**

# Corporate Culture

## Employment Practices

Orhan Holding Automotive Group is dedicated to sustaining excellence and growth through a robust recruitment process. The group's recruitment guidelines are designed to attract suitably skilled employees, essential for achieving our organizational objectives. These guidelines clarify roles, responsibilities, expectations and standards in our recruitment procedures, ensuring all participants in the process are aligned with Orhan Holding Automotive Group's commitment to sustainable and responsible business practices.

Within the Group, alongside the Group's solid recruitment practices, we maintain a dedicated focus on employee engagement, understanding its importance in contributing to the overall success of our organization. Recognizing the direct correlation between engaged employees and positive business outcomes, Orhan Holding Automotive Group regularly conducts detailed engagement surveys. These surveys are instrumental in measuring key behaviors like advocacy, loyalty and extra effort among employees. The insights gained guide the development of targeted action plans, addressing specific strengths and improvement areas across various departments.



**Additionally, the company places a strong emphasis on the effective orientation of new employees, ensuring they are seamlessly integrated into the company culture and operations. This dual approach of nurturing both new and existing talent underlines Orhan Holding Automotive Group's strategic commitment to fostering a passionate, productive workforce, ultimately driving sustainable growth and enhancing overall business performance.**

04

# People

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# People

At the heart of our work are the dedicated individuals who comprise our workforce.

Our commitment to sustainability extends to our 10,000 employees, who play a pivotal role in driving positive change within our organization and the communities we serve. As of the end of the reporting period, our employee headcount remained stable, with no significant fluctuations. This consistency reflects our dedication to maintaining a strong and engaged team to carry out our operations.

## Social Impact Management

Guided by a deep-rooted commitment to social impact, Orhan Holding Automotive Group has integrated its core business operations and values to reflect the interests of a broad range of stakeholders, including the wider community and the environment. The essence of Orhan Holding Automotive Group's social impact strategy lies in fostering a transparent and responsible relationship with its suppliers, partners and third parties, ensuring that all corporate activities align with the company's high ethical and sustainability standards.

**Transparent and responsible relationship with its suppliers, partners and third parties.**

This commitment is manifest in Orhan Holding Automotive Group's rigorous governance of social impact practices, underlining the company's dedication to responsible business conduct, ethical procurement and continual performance improvement in compliance with relevant legislation.

The company's social impact principles, which are mandatory for all current and prospective collaborators, aim to create sustainable supply chains built on mutual trust and benefit, emphasizing impartiality and fairness in all business dealings. This overarching social impact philosophy serves as the cornerstone of Orhan Holding Automotive Group's endeavors, as the company not only strives for business excellence but also seeks to make a significant impact in areas like education, culture and community support.

**As Orhan Holding Automotive Group we are committed:**



**We IMPROVE OUR BUSINESS** everyday



**We are PASSIONATE AND FULL OF ENERGY** about what we do



**We ensure TRUST is solid with all stakeholders**



**We create value for our CUSTOMER AND WIN TOGETHER**



**We grow with our PEOPLE and advance together**



**We work as ONE TEAM**

# Social Impact Management

## Corporate Social Responsibility

### Orhan Education and Culture Foundation

Established in 1996, the Orhan Education and Culture Foundation exemplifies Orhan Holding Automotive Group's dedication to social responsibility and educational advancement.

#### The Foundation's impact:

- Provided scholarships to approximately 6500 students.
- Established key educational institutions including Uludağ University Yenişehir İbrahim Orhan Vocational High School, Necla Orhan Primary and Secondary School and the Yenişehir Hacı Halil Orhan Girls' Dormitory and Hacı Asiye İsmet Orhan Boys' Dormitory.
- In 2023, 52% of scholarship recipients were women, emphasizing a commitment to gender equality in education.
- Offers scholarships that are open to students from all Turkish provinces.



### Cultural Initiatives

- **Ninecim Sanatevi**, inaugurated in 2022, serves as a center for cultural engagement, hosting exhibitions, seminars, workshops and educational programs.
- **Orhan Automotive's International Photography Contest:** Celebrated its 25<sup>th</sup> year with 19 years of international participation.

# Social Impact Management

## Corporate Social Responsibility

### Community and Environmental Engagement

- Participation in **Eker I Run and Istanbul Marathon**, supporting quality education through donations: Funds raised support the Education Foundation of Türkiye and the Educational Volunteers Foundation of Türkiye.
- Post forest fires in Türkiye, 10,000 saplings were donated to **TEMA** on behalf of each employee.
- Sponsorship of the **Bursa Yenişehir Gelişim Sports Club's women's volleyball team**, promoting gender equality and regional development.
- Collaboration with organizations like the **Young Success Education Foundation** and the **Bursa Women Engineers Association** to empower communities.



### Artistic and Cultural Development among Youth

- Annual **painting competitions** in conjunction with April 23 National Sovereignty and Children's Day.



### Future Goals

- In collaboration with **AÇEV** (Anne Çocuk Eğitim Vakfı) (Eng: **Mother Child Education Foundation, MCEF**), our goal is to train 2000 employees on gender equality by the end of 2024, in line with Orhan Holding Automotive Group's long-term objectives.



# Employment Policies



Employees are empowered to act with integrity and make the right choices independently, reducing the need for constant oversight.

Orhan Holding Automotive Group upholds a strong commitment to human rights, emphasizing freedom of association, gender equality and a firm stance against forced labor.

Such commitment extends beyond company operations, focusing on supporting local communities, particularly those identified as at-risk. As a signatory of the UN Global Compact, these principles are integrated into the business ethos.

The Code of Ethics ensures that the company and employees adhere to the highest ethical standards. Serving as a directional guide, it explicitly delineates acceptable and unacceptable behaviors, fostering an environment where ethical decision-making is standard. Employees are empowered to act with integrity and make the right choices independently, reducing the need for constant oversight. The goal is to establish a workplace where ethical practices are ingrained and every individual understands their role in upholding these standards, thus fostering a respectful, fair and inclusive work environment.

# Employment Policies



## Diversity and Inclusion

**Both within the company and throughout its supplier chain, Orhan Holding Automotive Group exhibits a consistent commitment to the creation of a work environment that is respectful and welcoming towards people of all backgrounds regardless of gender, ethnicity, and religion.**

A stringent policy against discrimination and a firm stance on diversity and inclusion are at the core of their strategy with regard to the organization. In addition to implementing training programs for employees in order to foster an inclusive culture in the workplace, the company constantly revises its employment regulations in order to ensure that they are in accordance with both ethical standards and legal requirements. In terms of monitoring and carrying out the implementation of these policies, the department of human resources plays a significant role.

With the intention of extending these ideals across its supply chain, Orhan Holding Automotive Group requires that its partners and suppliers adhere to the same standards of non-discrimination and inclusiveness. The organization is able to accomplish this by conducting regular audits and evaluations, which serve to ensure compliance and reinforce the company's commitment to these valued principles. A work atmosphere that respects and values diversity is fostered by Orhan Holding Automotive Group by the incorporation of these principles into every aspect of their operations. This ensures that all employees, regardless of their background or identity, are treated with decency and equality. The company's dedication to ethical business practices and its role in fostering a more inclusive and equitable industry are both highlighted by this strategy, which is both comprehensive and thoughtful.

**All employees, regardless of their background or identity, are treated with decency and equality.**



## Gender Equality

**The Orhan Holding Automotive Group, is a staunch believer in gender equality, as evidenced by our support of the Women's Empowerment Principles and the Ten Principles of the United Nations Global Compact.**

The commitment of our group to gender equality is essential for the development of a trained workforce and the enhancement of corporate competitiveness, which is in coordination with our commitment to sustainable development. This dedication is strongly ingrained in The Group's fundamental business procedures and decision-making, which highlights the fact that we place a strong emphasis on social justice and environmental responsibility.

The approach that Orhan Holding Automotive Group takes to pay and working hours, which is detailed in their Corporate Social Responsibility Guideline, emphasizes adhering to ethical and legal norms. Assuring that pay and benefits are at or above the legal minimums and the guaranteed minimum wage is one of their primary responsibilities.



**International  
Labour  
Organization**

**According to the International Labor Organization (ILO), the organization is dedicated to the idea of equal pay for employees of the same professional category and performance, regardless of their gender. This commitment is in accordance with the provisions of the ILO Convention.**

# Employment Policies



## Employee Rights

Orhan Holding Automotive Group recognizes and supports the rights of its employees to freely associate, form unions and appoint representatives. The company engages in consultations with employees and their representatives, respecting their rights to Freedom of Association and Collective Bargaining and representation. This holistic approach to labor practices demonstrates Orhan Holding Automotive Group's dedication to ethical conduct, employee welfare and social responsibility.

For the employees not covered by such agreements, Orhan Holding Automotive Group ensures equitable treatment through other means. The working conditions and terms of employment for these employees are not based on the collective bargaining agreements that cover other employees. Instead, they are determined through individual contracts and overarching company-wide policies.

**This approach allows Orhan Holding Automotive Group to maintain a consistent and fair standard of working conditions across its entire workforce, regardless of the presence of collective bargaining, thereby upholding its commitment to employee welfare and ethical labor practices.**

Employment at Orhan Holding Automotive Group, is governed by a comprehensive Global People Policy that encompasses all affiliates and countries where the company operates. This policy, prepared by Orhan Holding Automotive Group Global Human Resources and approved by the Nomination and Remuneration Committee, mandates adherence to local laws and regulations where they differ from company policy.

Orhan Holding Automotive Group places a strong emphasis on compliance with these policies and procedures, ensuring that all employees, are aware and observant of them.

The company's performance management system is integral to achieving strategic goals. It aligns company key performance indicators with individual and team performances. This process encompasses regular monitoring and feedback, with performance evaluations directly influencing merit-based salary increases, incentive programs, professional development opportunities, and career management strategies. Succession and career planning is another key area where Orhan Holding Automotive Group identifies critical positions and prepares succession plans for all managerial levels, including individual development programs.

This planning is based on individual work performances and potential and forms part of the company's talent management strategy.

Promotions within Orhan Holding Automotive Group are based on clear criteria, including the availability of higher-level positions and the individual's status in the company's career and succession plan. Additionally, Orhan Holding Automotive Group invests in professional training and personal development, offering orientation training, including occupational health and safety and leadership development programs under the GOAL (Global Orhan Academy of Leadership) initiative.

Orhan Holding Automotive Group is deeply committed to ethical and responsible business practices, as evidenced by its adherence to international standards and conventions. The company strictly prohibits forced or child labor, upholding the standards set by the International Labor Organization (ILO). This commitment extends to their network of suppliers, partners and third parties, who are also forbidden from engaging in involuntary labor, including slave labor, prison labor, debt bondage, forced government labor, human trafficking, and any form of physical or mental coercion.



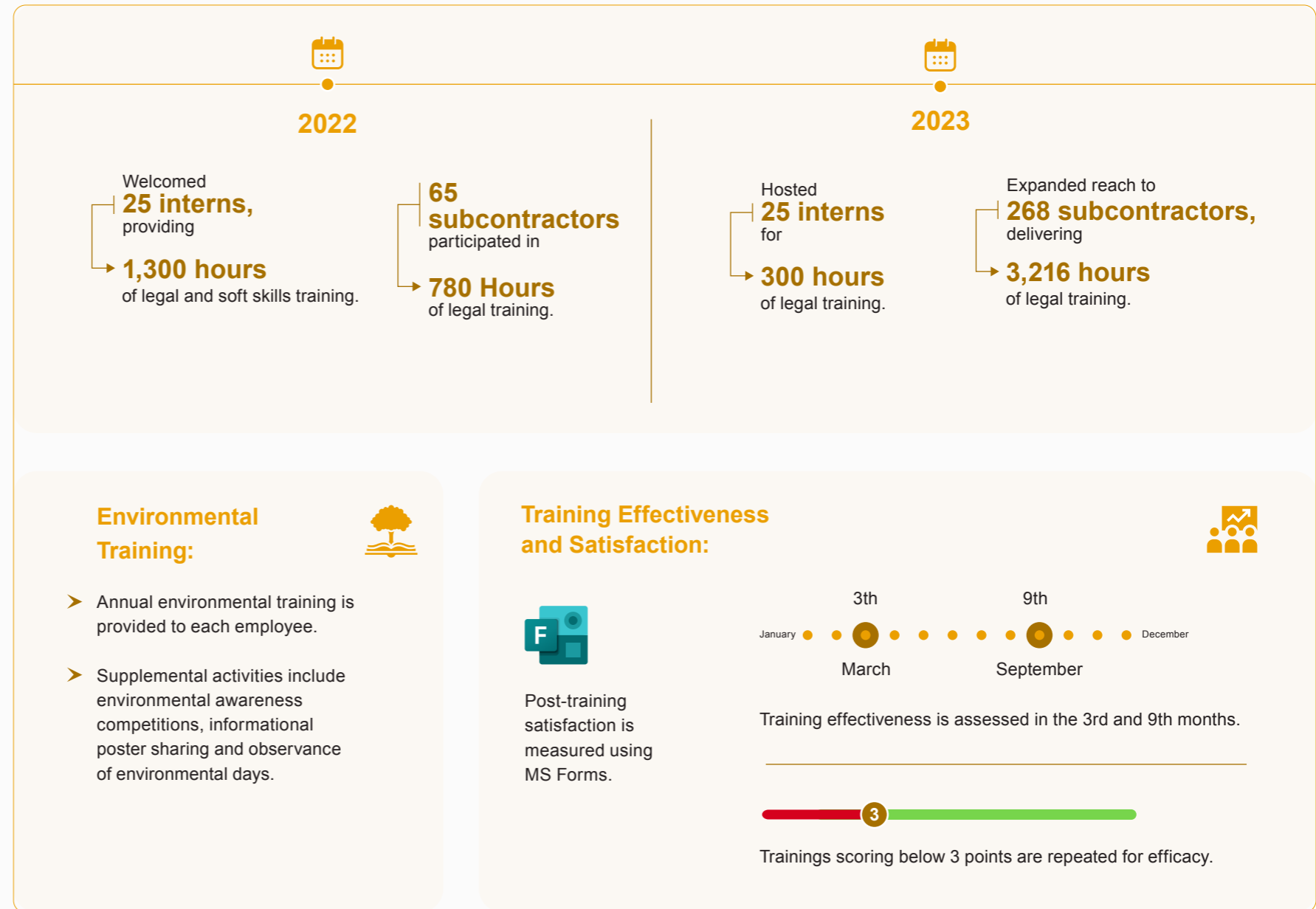
Compensation and benefits are a critical aspect of their human resources management. Salaries and benefits are determined based on Global Compensation & Benefits Procedure.

# Talent Management

At Orhan Holding Automotive Group, the Human Resources department is acknowledged for its pivotal role in guiding the organization towards its strategic objectives. Aligned with the corporate vision, there's a strong commitment to continuous self-improvement and development. Orhan Holding Automotive Group's culture of passionate development focuses on creating and implementing initiatives that enhance human capital to create a better working environment for all. A key element of this strategy is the **Global Orhan Academy of Leadership (GOAL), playing a crucial role in the development of both current and prospective leaders.**

The group is dedicated to employee growth, offering a comprehensive range of development programs specifically designed to enhance both personal and technical skills. The Personal Development programs cover various training modules which demonstrate Orhan Otomotiv's commitment to cultivating a skilled and versatile workforce, equipped to drive the company towards its ambitious goals while upholding a sustainable and innovative business model and participating boldly in their careers.

Orhan Holding Automotive Group's comprehensive talent management strategy primarily focuses on an effective training and development framework central to enhancing the skills, knowledge, and competencies of its employees. This strategy is integral for fostering sustainable high performance and preparing staff for future organizational needs. Key roles like the VP of People and Corporate Development, Talent Management Manager and Plant People Partners play crucial roles in shaping and executing this strategy, aligning it with individual career goals and broader organizational objectives.



# Talent Management

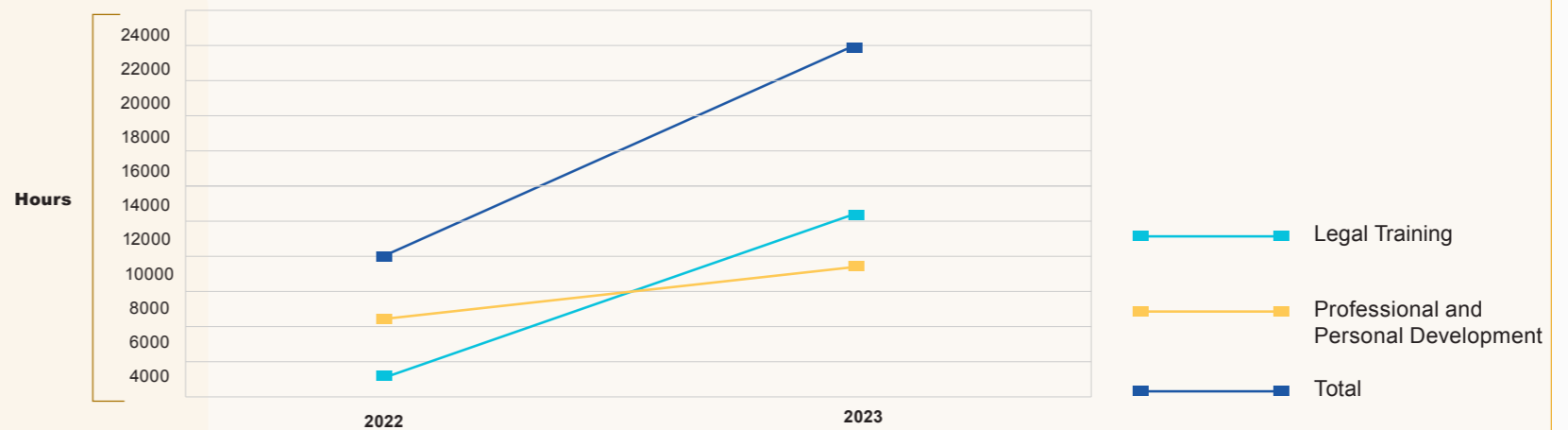
Systematic planning is at the heart of the talent management process, starting with a needs analysis informed by job descriptions and performance indicators. Budgeting is carefully tailored to these identified needs, ensuring efficient resource allocation. Implementation of training activities is meticulously organized and executed, with participation and effectiveness evaluated through various methods like questionnaires and efficiency assessments, with corrective actions taken as needed.

Parallel to this, the Global Development Activities and Trainings at Orhan Holding Automotive Group serves as an all-encompassing initiative that enhances employee and managerial skills and knowledge.

Furthermore, the Business School program improves proficiency in business English as a foreign language across various topics. The program also includes e-learning modules covering a spectrum of topics relevant to the automotive industry. Each training component is designed to yield tangible benefits, including enhanced team performance, improved managerial skills, a better grasp of financial systems and more effective communication across diverse cultures. This comprehensive approach caters to various employee levels, ensuring a well-rounded and high-performing workforce.

**Global Orhan Academy of Leadership (GOAL)**, plays a crucial role in the development of both current and prospective leaders.

## Yearly Training Hours and Participation:





# Occupational Health and Safety

Orhan Holding Automotive Group places exceptional emphasis on occupational health and safety (OHS) and environmental policies, extending far beyond mere compliance with legal requirements. This commitment, a cornerstone of both management and employee responsibilities, is deeply ingrained in the company's culture, with a focus on continuous enhancement of OHS performance. Orhan Holding Automotive Group's approach is not limited to compliance; it proactively engages in systemic and continuous improvement in OHS and environmental stewardship.

This is evident in the way risk-based mindsets are instilled in employees through extensive training, ensuring high awareness and collective responsibility towards safety measures. The active participation and consultation of employees at all levels in safety-related activities underscore the company's dedication to cultivating a robust OHS culture. Occupational health practices at Orhan Holding Automotive Group are employee-centric, with proactive measures taken from the onset of employment to elevate OHS awareness.

This includes responsibility for OHS Key Performance Indicators (KPIs) monitoring in each department, systematically aligned with the ISO 45001 standard. These responsibilities and practices are not isolated; they are integral to the daily operations of all Orhan Holding Automotive Group's manufacturing plants and support locations, ensuring a harmonious blend of global standards and local procedures for comprehensive coverage. There are many meticulously designed procedures for implementing and maintaining health, safety and environmental standards across the company's global operations. These procedures constitute landmarks for processes in detail and employees are provided with training for each procedure, ensuring that employees adopt the procedures and fulfill the requirements. In addition, constant reminders are made with posters and applications prepared for social media and their permanence is ensured in the memory of employees. Employees' participation in the process is ensured through field tours organized with the participation of all levels. Thanks to the open and positive communication culture created in the working place, employees can communicate their notifications to OHS unit managers at any time.

During the COVID-19 pandemic, Orhan Automotive, like many companies in the automotive sector, faced unprecedented challenges. The organization has complied with comprehensive hygiene guidelines that apply in homes, public transport, and workplaces. Beyond these guidelines, it was important to implement workplace health and safety regulations related to cleanliness and hygiene. Orhan Automotive emphasized hygiene practices, social distancing, and regular fever checks to protect its workforce in an environment of global uncertainty.

 Orhan Holding Automotive Group places exceptional emphasis on **occupational health and safety (OHS)** and **environmental policies**, extending far beyond mere compliance with legal requirements.

 **Global Reporting Initiative (GRI)**



Adhering to principles like creating safe working conditions, conducting thorough risk assessments and fostering an ergonomic environment, the company surpasses statutory obligations, aligning its operations with ISO9001/IATF16949 clauses and international standards.

Company travel was limited, visitor admission was restricted, and employees who may be at high risk were closely monitored. Protocols were established for suspected COVID-19 cases, ensuring rapid isolation and sanitation. With the entry into the post-pandemic period, the measures taken during the pandemic period continued to be implemented with certain mitigations. These measures demonstrate Orhan Automovie's commitment to employee health and resilience in a severely affected industry.



**Nobel Automotive Gemlik - First prize in the "Behavioral Focused- Category" of the Stars of Occupational Safety competition organized by MESS**



**Matay - "OHS ambassadors category" award in the competition organized by MESS**

# Customer Safety and Data Safety

Orhan Holding Automotive Group has adopted stringent policies in line with Global Reporting Initiative (GRI) standards to ensure robust IT security and effective data management. These policies are designed to protect customer data and maintain the integrity of our IT infrastructure.

Orhan Holding Automotive Group has implemented strict controls over privileged access within our IT infrastructure. Access is limited to authorized IT administrators for tasks like software installation or uninstallation, system repairs, security checks and system monitoring. This restriction is crucial in preventing misuse of privileged access and maintaining the security of our computing systems, network communication and sensitive user data. The policies uniformly cover all local laptops, workstations and desktop computers within Orhan Holding Automotive Group, ensuring consistent application across the organization. Additionally, the Orbit ticket system has been introduced for employees to request admin-privileged operations, promoting a traceable and accountable process.

Orhan Holding Automotive Group's incident response plan is an integral part of our strategy to safeguard data and customer security while mitigating operational risks. This comprehensive plan involves IT teams, legal, technical support, human resources, corporate communications and business operations. It is designed to manage cyber-attacks swiftly and effectively, ensuring the continuity of normal business operations. The plan emphasizes the protection of privileged accounts, which are critical for accessing key systems and outlines detailed steps for all employees in the event of an incident. The plan's extensive scope includes Orhan Holding Automotive Group's global activities, manufacturing plants and support locations.



## Global Reporting Initiative (GRI)

Orhan Holding Automotive Group has adopted stringent policies in line with Global Reporting Initiative (GRI) standards to ensure robust IT security and effective data management. These policies are designed to protect customer data and maintain the integrity of our IT infrastructure.



## Orbit Ticket System

The policies uniformly cover all local laptops, workstations and desktop computers within Orhan Holding Automotive Group, ensuring consistent application across the organization. Additionally, the Orbit ticket system has been introduced for employees to request admin-privileged operations, promoting a traceable and accountable process.

# Customer Safety and Data Safety

Orhan Holding Automotive Group employs rigorous standards to govern our IT suppliers and regulate internet use within the organization, ensuring alignment with our operational and ethical standards.

Additionally, the overall attitude of the supplier, their response to requests, adherence to safety and ethical standards and feedback from employees and audits are assessed. Effective communication and cost-effectiveness of delivered services are also crucial criteria in our evaluation process.

Orhan Holding Automotive Group's Internet Usage Policy is designed to ensure the safe and efficient use of the internet across all its companies. The policy mandates that all files and documents downloaded from the internet are scanned with antivirus software. Access to Orhan Holding Automotive Group's internet, intranet pages and portals is controlled through defined security measures like firewall settings. The policy strictly prohibits the use of Orhan Holding Automotive Group resources for personal work or the benefit of third parties, the download of unauthorized software and data and access to illegal websites. Confidential information transferred over the internet must be encrypted and the policy extends to the use of removable media devices, emphasizing the safe storage and transfer of data.

The performance of IT suppliers is evaluated against several key criteria. This includes the ratio of services delivered within the agreed scope, timeliness of service delivery based on Service Level Agreement (SLA) scores, the number of technology-related external customer complaints and security incidents attributable to the supplier.



Orhan Holding Automotive Group's Internet Usage Policy is designed to ensure the **safe and efficient** use of the internet across all its companies.

## Evaluation key criterias

- Delivery within the agreed scope
- Service Level Agreement (SLA) Scores
- External Customer Complaints
- Security Incidents Attributable To The Suppliers





Orhan Holding

05

# Planet



# Planet

**Orhan Holding Automotive Group is committed to integrating environmental protection and climate change mitigation and adaptation into its core operations. In the year 2022-2023, continuing its trend of substantial progress, the organization has made further advancements in the measurement and management of its greenhouse gas emissions.**

It has also established a complete management system that incorporates actions that address the issues posed by climate change. This entails lowering emissions across the board for all corporate processes, maximizing the utilization of resources and energy and implementing environmentally responsible practices. With the goal of minimizing water consumption, preventing pollution, meeting regulatory requirements for waste disposal and recycling and strengthening the resilience of its operations against the effects of climate change, Orhan Holding Automotive Group is committed to achieving these goals.

**The precise computation of the Corporate Carbon Footprint for the locations of Nobel, Teknik Malzeme and Matay is an essential component of this program. CO<sub>2</sub>, CH<sub>4</sub>, NF<sub>3</sub>, SF<sub>6</sub>, HFC<sub>s</sub> and PFC<sub>s</sub> are among the gases that are taken into consideration during the evaluations.**

This ensures that every emission source, ranging from the consumption of power to the usage of gasoline for vehicles, is taken into account. The company is committed to adhering to the GHG Protocol, which is a global standard for the quantification and reporting of greenhouse dioxide emissions.



The first year for these calculations is 2023 and forms the basis for improvements. Orhan Holding Automotive Group uses the operational control technique, which ensures that emissions from all controlled operations are managed thoroughly.

Orhan Holding Automotive Group is rigorously enforcing its Corporate Social Responsibility (CSR) policies, emphasizing the importance of climate change mitigation in its operations. This commitment extends to their suppliers, who are required to develop compliance monitoring systems, educate their personnel and conduct annual briefings on environmental issues. Additionally, partners are subjected to stringent assessments to ensure that they comply with corporate social responsibility (CSR) and environmental requirements. If they do not comply, a system is in place to rectify the issue within 21 days.

These requirements are integral to the supplier selection criteria, ensuring that all suppliers comply with stringent environmental and CSR standards. Before initiating cooperation, suppliers undergo thorough evaluations, including contractual stipulations for environmental issues, to contribute to the company's zero waste target and enhance environmental sustainability. Orhan Holding Automotive Group's dedication to ethical business practices and environmental stewardship is underscored by these robust assessments, reinforcing its alignment with environmental standards.



# Environmental Impact Management

Orhan Holding Automotive Group has established a robust framework to ensure the resilience of its supply chain and uphold the highest standards in supplier relations.

## Corporate Social Responsibility



This approach includes thorough supplier assessments to evaluate the ability of suppliers to meet a certain criterion detailed records of evaluations and actions stemming from assessments.

Orhan Holding Automotive Group has set up a strong system to make sure its supply chain is reliable and to keep up high standards in working with suppliers. This includes detailed checks to see if suppliers can meet specific requirements, along with keeping careful records of these evaluations and any steps taken as a result of these assessments.

**On top of that, Orhan Holding Automotive Group implements Corporate Social Responsibility (CSR) Guidelines to maintain impartiality and fairness in business transactions. These guidelines encompass legal compliance, anti-corruption measures, human rights and labor standards, environmental management and ethical business practices, with mandatory compliance for all suppliers.**

**Supplier assessments incorporate social and environmental criteria, ensuring suppliers align with values in sustainability and ethical practices and actively working with them to improve CSR governance and ensure compliance with environmental and social standards.**



Orhan Holding Automotive Group demonstrates a profound commitment to environmental stewardship and occupational health and safety, which is evident in every aspect of its operations. This dedication is anchored in a comprehensive Environmental Policy. As a prominent player in the automotive industry, the company employs a proactive approach.

Its Environmental Policy focuses on crucial areas such as pollution prevention, minimizing operational risks, waste reduction, boosting recycling initiatives, conserving natural resources and strict compliance with legal and regulatory frameworks. The policy also underscores the significance of promoting environmental awareness as a key social responsibility aspect.

Furthermore, the Occupational Health and Safety Policy at Orhan Holding Automotive Group focuses on establishing a safe and healthy work environment, particularly in the areas of production, storage and sales of a variety of products, including plastic profiles, fuel hoses and fluid transfer systems. This involves meeting all legal health and safety requirements, conducting comprehensive risk assessments to detect and alleviate hazards and nurturing a culture of health and safety awareness among employees. The firm's steadfast commitment to continually enhancing these practices mirrors its objective to uphold the highest standards of responsibility towards both the environment and the workforce. Orhan Holding Automotive Group is exemplary in integrating sustainable environmental practices and strong employee welfare into the essence of a thriving business model.

# Toxic Emissions and Waste

Orhan Holding Automotive Group is committed to managing toxic emissions and waste through a comprehensive approach that aligns with environmental regulations. This commitment involves compliance with all relevant permits, authorizations and the group's own environmental guidelines, emphasizing waste minimization and pollution prevention. The group's facilities adhere to detailed procedures for waste minimization, including rigorous checking and recycling of products.

This ensures that products are processed without mixing, maintaining purity and recyclability. During the product preference stage, items favorable in life cycle analysis are prioritized, focusing on products that are inherently suitable for recycling. Additionally, when selecting new machinery and equipment, the group consciously considers environmental impacts, ensuring every step contributes positively towards sustainable practices and waste minimization.

**Orhan Holding Automotive Group maintains its dedication to sustainable operations & continuous improvement in environmental performance.**

The handling of materials and waste at all Orhan Holding Automotive Group plants is conducted in strict observance of governmental directives and the group's internal regulations, encompassing storage, labeling, handling and disposal processes. Accurate reporting, consistent training programs, and detailed record-keeping are integral to this process, facilitating the responsible management of potentially hazardous substances.



**The group recognizes the importance of responsibly addressing toxic emissions and waste as part of its commitment to environmental stewardship. By adhering to these principles, Orhan Holding Automotive Group maintains its dedication to sustainable operations and continuous improvement in environmental performance.**

## Toxic Gas Release and Waste Management in Our Factories

### Emission Control in Welding Section:

- Fume hoods on machines in the welding section capture emissions and channel them through chimneys to prevent dispersion.

### Waste Separation and Storage:

- Waste is segregated at the source within the facility into hazardous and non-hazardous categories.
- Temporary storage areas are designated for each waste type, with defined containers to prevent intermixing.

### Waste Management Planning:

- Waste types are classified as hazardous or non-hazardous based on codes from the Ministry of Environment, Urbanization and Climate Change's Waste Management Regulation.
- A three-year industrial waste management plan is developed for the disposal of waste.

### Waste Reduction Initiatives:

- Continuous improvement projects include waste reduction initiatives.
- Process managers revise production techniques to minimize metal scrap size and weight.
- The size of cleaning cloths is reduced to optimize use and reduce waste of contaminated/oily gloves.
- Aqueous waste sludge water content is evaporated to achieve waste volume reduction.

### Recycling and Zero Waste Certification:

- Recyclable materials like paper, plastic and glass are collected separately from non-recyclable wastes and sent to recycling facilities.
- Monthly waste records are maintained and reported to the ministry system.
- Recovery report records are evaluated and shared with staff to enhance awareness and reduce environmental impact.

# Toxic Emissions and Waste

## Toxic Gas Release and Waste Management in Our Factories

### Emission Control Measures:

- The welding section is equipped with fume hoods on machines to capture emissions and direct them outside via chimneys, preventing the spread of pollutants.



### Waste Segregation and Recycling:

- A dedicated waste segregation area is in place for the sorting of materials.
- The plant sells segregated waste materials such as plastic, polyamide, paper, metal, wood and oil for future recycling.



### Liquid Waste Management:

- Barrels containing liquid waste are kept sealed and placed in containment trays to prevent spillage and potential contamination.



### Waste Segregation and Storage:

- Waste generated at the facility is segregated at the source into hazardous and non-hazardous categories.
- Different types of waste are stored in designated containers to avoid cross-contamination.
- Hazardous and non-hazardous wastes are held in temporary storage areas before being sent for recycling.

### Solid Waste Handling:

- Solid waste is collected in industrial garbage bags within bins.
- The bags are securely tied prior to transportation to temporary storage areas.

### Emissions Management:

- Special extraction vents are installed as part of the production process to manage and control emissions.
- Emission levels are monitored to ensure compliance with legal standards.



# Energy Management

The Orhan Holding Automotive Group maintains a strong foundation in environmental respect, with all associated entities striving towards waste minimization, pollution prevention and energy conservation. These are not just operational policies, but core values that guide the group's activities.



A Continuous Improvement System is embedded in the group's framework, reflecting its dedication to environmental principles. This system plays a critical role in curbing energy consumption across various resources, including power, water, air, gas and diesel. The positive outcomes of this system extend beyond energy savings, facilitating better communication within the organization, minimizing equipment failures and leading to a discernible decrease in energy use.



Each plant within the Orhan Holding Automotive Group is expected to meet strict environmental standards, ensuring compliance with all necessary permits and authorizations. This adherence is not simply to fulfill regulatory demands but to align with the group's commitment to international environmental standards.

In 2023, the group observed notable developments in environmental management, particularly in measuring and managing greenhouse gas emissions. A comprehensive management system has been implemented, targeting the complexities of climate change. This includes efforts to reduce emissions throughout all corporate processes and to enhance the efficiency of resource and energy use, integrating sustainability into every aspect of the business.

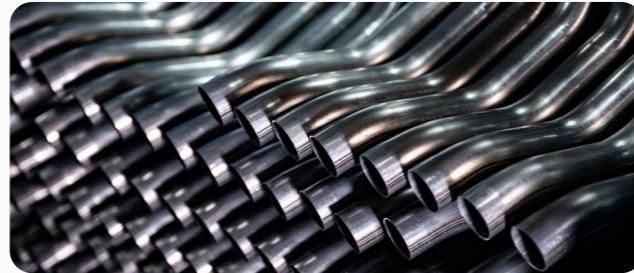
As a result, the Orhan Holding Automotive Group is acknowledged not only for its achievements in the automotive industry but also for its efforts in incorporating **energy efficiency and renewable energy** into its strategic approach. The group's endeavors in these areas demonstrate a consistent and ongoing commitment to environmental responsibility, contributing to a sustainable future in the corporate realm.

# Energy Management

## Energy Management at Matay, Görükle Plant

### Renewable Energy Utilization:

- Solar energy harnessed for heating water in washing machines and showers.



### Continuous Improvement for Energy Efficiency:

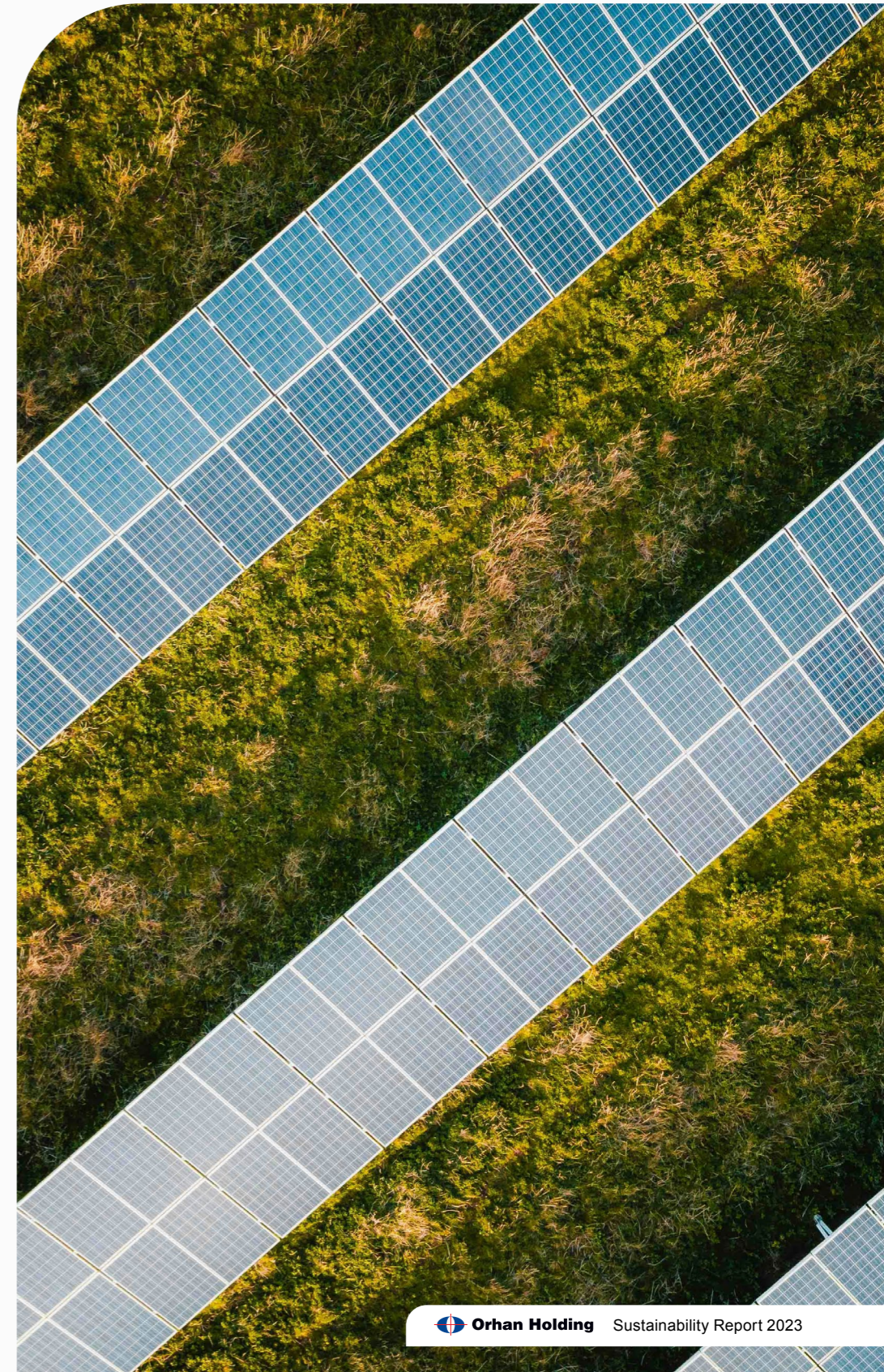
- Ventilation system in the welding section revamped for better efficiency.
- Production lines revised to install low-electricity consuming motors, resulting in:
  - Annual energy savings of 150,000 kWh.
  - Project efficiency gain of 86%.
  - Facility efficiency gain of 4.2%.

### Research and Investment in Energy Efficiency:

- Ongoing research for energy-efficient machines and equipment.
- Investment plans prioritize energy efficiency or replacement in case of malfunction/change.

### Innovative Projects for Energy Conservation:

- Transition to lithium batteries from lead-acid for pallet truck/forklifts, achieving:
  - 39% improvement in energy efficiency.



# Energy Management

## Energy Management at Nobel, Gemlik Plant

### Energy Efficiency Research:

- Investigations into energy-efficient production processes and machinery are ongoing.



### No-Cost Suggested Measures:

- Educating staff on the correct approach to energy management.
- Promoting efficient behavior and management in high-energy consumption areas.
- Conducting regular preventive inspections and maintenance of technological appliances and fittings, including checks on compressed air distribution.

Annual energy savings of

**150,000 kWh**

Facility efficiency gain of

**4.2%**

Project efficiency gain of

**86%**

Improvement in energy efficiency

**39%**

### Energy Audit Findings:

- A comprehensive list has been compiled to enhance energy efficiency.



### Low-Cost Proposed Measures:

- Revising window installations to improve energy conservation.

### High-Cost Proposed Measures:

- Installing three sub-meters at the compressor station for detailed energy monitoring and management.



# Water and Effluents Management

Within the framework of the Orhan Holding Automotive Group, a conscientious approach to water and effluent management is paramount. The group is actively engaged in efforts to minimize water consumption and prevent pollution, adhering to environmental regulations while managing waste disposal and recycling. This commitment is in alignment with the group's broader objective to enhance the resilience of its operations in the face of climate change challenges.



Central to the group's environmental strategy is the implementation of a Continuous Improvement System. This system is not only reflective of the group's dedication to sustainable practices but also plays a pivotal role in optimizing the use of resources. It is particularly influential in reducing energy and water consumption, which are critical to the group's responsible environmental management.



By focusing on water conservation and the management of effluents, Orhan Holding Automotive Group demonstrates its ongoing commitment to environmental stewardship. The group recognizes the importance of these efforts in maintaining the integrity of ecosystems and ensuring the sustainability of water resources for future generations. Through continuous monitoring and improvement of their water management practices, Orhan Holding Automotive Group aims to achieve a positive impact on the environment, contributing to the sustainable development goals of the industry and the wider community.



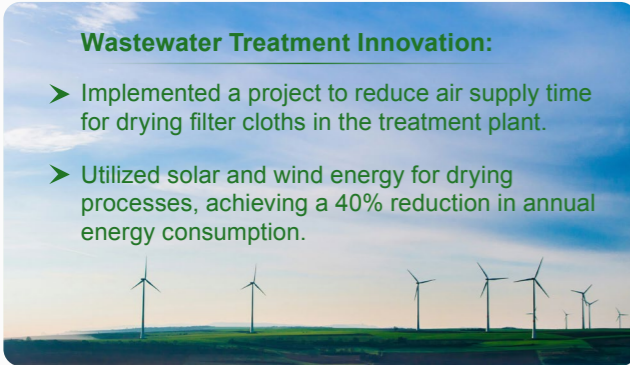
**Orhan Holding Automotive Group aims to achieve a positive impact on the environment, contributing to the sustainable development goals of the industry and the wider community.**

# Water and Effluents Management

## Water and Effluents Management

### Wastewater Treatment Innovation:

- Implemented a project to reduce air supply time for drying filter cloths in the treatment plant.
- Utilized solar and wind energy for drying processes, achieving a 40% reduction in annual energy consumption.



### Low-Cost Proposed Measures:

- Post-treatment, wastewater is discharged into the municipal sewage system following stringent purification standards.



### Domestic Water Use Audits:

- Regular internal audits are conducted to prevent unnecessary domestic water use.
- Routine checks for sink and water leaks are carried out to ensure efficient use of water within the plant premises.

### Sustainable Materials Use:

- Opted for recycled barrels over new plastic barrels for storing liquid waste from the wastewater treatment plant.



### Leak Prevention and Efficiency:

- Routine checks for leaks are conducted to prevent unnecessary water consumption.
- Ongoing projects are aimed at continual improvement of water efficiency.

### Water Reuse and Circularity:

- Treated wastewater is collected in IBCs and reused in the washing unit.
- Water from the washing unit is cycled back to the wastewater treatment plant for purification.
- Rainwater is harvested and utilized within the washing unit, promoting water conservation.



# Sustainable Materials

**At Orhan Holding Automotive Group, the adoption of circular economy design is central to the company's sustainable development strategy.**

The preference for sheet metal in our factories and the strategic reuse of metal processing chemicals reflect our commitment to resource efficiency and waste reduction. This is indicative of the plant's alignment with circular economy principles, aiming to repurpose materials within the production cycle.

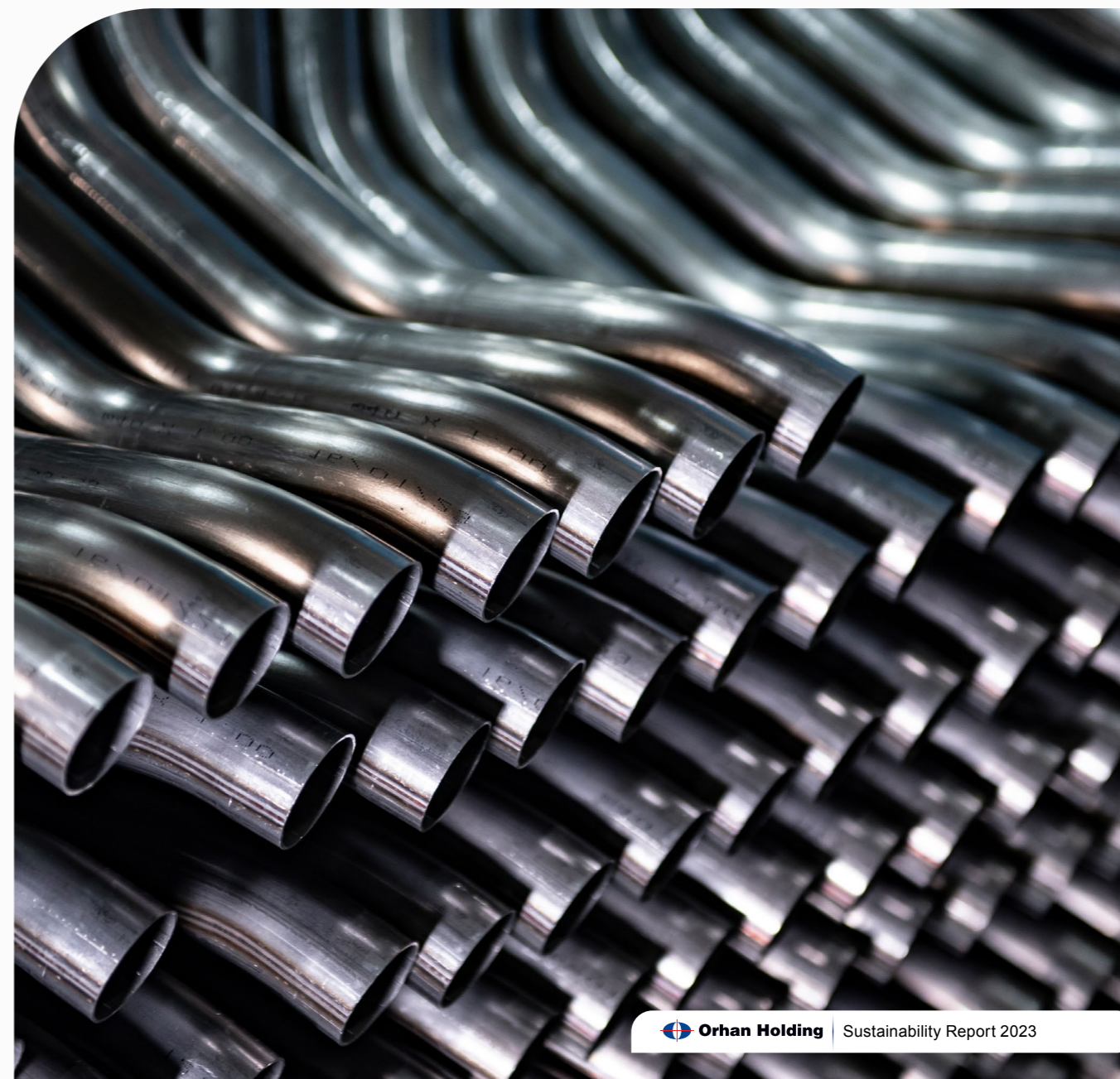
The plant's responsible approach to material use is further evidenced by its preference for recycled barrels for liquid waste storage, thereby reducing the reliance on new plastic barrels. This decision aligns with the organization's broader environmental objectives and its focus on the circular utilization of resources.

At the Görükle Plant, a similar commitment to sustainable materials use is observed. The facility prioritizes the use of recycled containers for waste management, aligning with the company's sustainability goals.

**The company adheres to waste disposal regulations and actively promotes recycling, as demonstrated by the segregation of recyclable waste streams, which are directed to recycling facilities.**

Orhan Holding Automotive Group's environmental goals encompass a wide range of initiatives aimed at minimizing water usage, preventing pollution and enhancing operational resilience in response to climate change.

The recognition of these efforts through a Zero Waste Certification underscores the company's adherence to best practices in waste management and recycling and highlights its commitment to the principles of a circular economy.





Orhan Holding

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# Appendices

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# Value Creation Model



[İlgili bölüme ulaşmak için butona tıklayınız.](#)



# Value Creation Model

## Financial Capital

| Input                                                                                                                                                                                                                                                                                                                 | Operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Output                                                                                                                                                                                                                                                                                                                                                                                                                                 | Created Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Diverse revenue streams from the operations across 15 countries in 4 continents.</li> <li>Capital invested in growth opportunities and sustainable technologies.</li> <li>An optimal combination of debt and equity financing to support operations and expansions.</li> </ul> | <ul style="list-style-type: none"> <li>Strategic employment of financial resources to achieve the company's mission and objectives.</li> <li>Strategic investments that are targeting sustainable technologies, including the adoption of cutting-edge technologies and efficient Fluid Transfer Systems, Powertrain, Thermal Management and Extrusion Profiles, to improve operational efficiency and product offerings.</li> <li>Efficient allocation of financial resources to maximize growth and profitability.</li> <li>Expansion of customer portfolio to increase market penetration and revenue.</li> <li>Providing and utilizing project financing resources to support new and ongoing initiatives.</li> <li>Identifying investment projects that align with available funding sources to ensure financial prudence and strategic growth.</li> </ul> | <ul style="list-style-type: none"> <li>Measurable increase in the company's financial metrics over time.</li> <li>Profitability as a result of efficient operations and strategic investments.</li> <li>High returns generated from investments in technology, market expansion, and product diversification.</li> <li>Appreciation of shareholder equity through increased profitability and strategic market positioning.</li> </ul> | <ul style="list-style-type: none"> <li>Further strengthening of shareholder equity and confidence in the company's growth trajectory.</li> <li>Capacity to reinvest earnings into new technologies, markets, and product development.</li> <li>A strong standing in the market underscored by long-term partnerships with key suppliers and a compelling brand portfolio.</li> <li>Commitment to ethical financial practices, enhancing trust among investors, partners, and customers.</li> <li>Adaptability and sustainability of the business model through diversified product offerings and strategic market engagement.</li> </ul> |

# Value Creation Model

## Human Capital

| Input                                                                                                                                                                                                                                                                                                                                                   | Operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Output                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Created Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• More than 10,000 employees worldwide.</li> <li>• Skills, experience, and motivation of employees.</li> <li>• Diversity and inclusion initiatives.</li> <li>• Commitment to employee safety, flexibility, and holistic welfare.</li> <li>• ISO 45001 Certificate for Occupational Health and Safety.</li> </ul> | <ul style="list-style-type: none"> <li>• Implementation of a comprehensive HR policy that governs employment across all affiliates and countries, ensuring adherence to local laws and regulations.</li> <li>• Workforce planning, recruitment, and selection processes with a priority for internal candidates.</li> <li>• Attractive compensation, benefits, and reward systems tied to performance.</li> <li>• Implementation of well-balanced scorecards for performance enhancement aligned with company objectives.</li> <li>• Comprehensive training programs that is meticulously organized, with participation and effectiveness evaluated through questionnaires and efficiency assessments.</li> <li>• Succession planning for crucial positions.</li> <li>• Implementation of robust health and safety standards, policies, and practices in alignment with ISO 45001 requirements.</li> <li>• Human resources practices focusing on diversity and inclusion.</li> <li>• Dedicated support for the Women's Empowerment Principles.</li> <li>• Studies, management meetings, and annual plans focused on diversity and inclusion, skill management, and OKR (Objectives and Key Results) within factories.</li> <li>• The establishment of the Global Orhan Academy of Leadership (GOAL) as a platform for nurturing and developing leadership talent within the organization, focusing on both current and future leaders.</li> <li>• The establishment of a Code of Ethics that serves as a directional guide for acceptable behaviors, ensuring that all company activities are conducted with the highest ethical standards.</li> </ul> | <ul style="list-style-type: none"> <li>• A highly skilled and motivated workforce.</li> <li>• A deep talent pool.</li> <li>• A pipeline of skilled managers and executives ready to navigate the challenges of the global market and lead the company toward achieving its strategic goals.</li> <li>• Innovative products and services.</li> <li>• Achieving and maintaining a workplace that minimizes risks and enhances employee health and safety.</li> <li>• A diverse and inclusive culture.</li> <li>• Lower aggregate employee turnover rate.</li> <li>• Successful transitions in leadership and optimized employee performance.</li> <li>• Legal and ethical compliance.</li> <li>• Recognition through MESS and BSC awards.</li> </ul> | <ul style="list-style-type: none"> <li>• Enhanced innovation and employee retention contribute to operational excellence and competitive advantage, benefiting shareholders and customers by ensuring high-quality, innovative products and services.</li> <li>• Improving operational excellence and competitive advantage, benefiting shareholders and customers with high-quality, innovative products and services.</li> <li>• Long-term business relationships fostered by a working environment conducive to equal opportunities.</li> <li>• Acknowledgment of dedication to promoting diversity and inclusivity.</li> <li>• Retention of highly skilled employees, ensuring sustainability and business continuity.</li> <li>• An efficient and adaptable workforce capable of meeting current and future challenges.</li> <li>• Enhanced employee morale and job satisfaction by prioritizing their health and safety, leading to higher productivity and reduced absenteeism.</li> </ul> |

# Value Creation Model



## Social & Relational Capital

| Input                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Output                                                                                                                                                                                                                                                                                                                                                                                  | Created Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Stakeholder surveys to gauge satisfaction and areas for improvement.</li> <li>Corporate social responsibility initiatives.</li> <li>Orhan Education and Culture Foundation.</li> <li>Ninecim Sanatevi.</li> <li>Sponsorships and collaborations with associations.</li> <li>Active participation in Turkish Employers' Association of Metal Industries (MESS).</li> <li>Global Supplier Quality Manuel Standards.</li> </ul> | <ul style="list-style-type: none"> <li>Utilization of a stakeholder survey to conduct a materiality analysis, gathering and examining stakeholder perspectives to inform and refine the organization's strategic planning process.</li> <li>Developing and executing a corporate social investment strategy that aligns with the company's values and stakeholder expectations.</li> <li>Engaging the community through the Orhan Education and Culture Foundation, focusing on supporting talented and financially needy students in education and culture. 93% female ratio of scholarship recipients in 2023 with a significant emphasis on supporting female education, demonstrating a commitment to fostering educational opportunities and promoting gender equality.</li> <li>Sponsorship of the Bursa Yenişehir Gelişim Sports Club's women's volleyball team and collaboration with the Bursa Women Engineers Association demonstrating women empowerment.</li> <li>Launch of Ninecim Sanatevi as a center for cultural engagement, offering exhibitions, seminars, workshops, and educational programs.</li> <li>Organization of Orhan Holding Automotive Group's International Photography Competition, celebrating its 25th year with significant international participation.</li> <li>Participation in events like Eker I Run and Istanbul Marathon, with funds raised supporting the Education Foundation of Türkiye and the Educational Volunteers Foundation of Türkiye.</li> </ul> | <ul style="list-style-type: none"> <li>Strong stakeholder relationships built on trust and mutual benefits.</li> <li>Positive brand recognition, reflecting the company's commitment to ethical practices and social responsibility.</li> <li>A social license to operate, granted by the community and stakeholders based on the company's CSR efforts and ethical conduct.</li> </ul> | <ul style="list-style-type: none"> <li>Increased trust and loyalty from customers, employees, suppliers, and the wider community, reinforcing the company's market position and social capital.</li> <li>Achieving satisfaction among stakeholders who filed grievances highlights the effectiveness of the grievance mechanism, enhancing stakeholder trust and reinforcing the organization's reputation for ethical conduct and responsiveness.</li> <li>Improved community well-being through targeted social investment and engagement initiatives, contributing to the social fabric and educational upliftment.</li> </ul> |

# Value Creation Model

## Social & Relational Capital

| Input                                                                                                                                                                                                                                                                                                | Operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Output                                                                                                                                                                                                                                                                         | Created Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Supplier Quality Development (SQD) Plan.</li> <li>Supplier Assessment Procedure.</li> <li>Supplier Safe Launch (SSL) Report System and Passthrough Incident Follow-up.</li> <li>Ethics hotline for transparent communication and ethical concerns.</li> </ul> | <ul style="list-style-type: none"> <li>Active participation in MESS to stay abreast of and contribute to industry-specific developments, practices, and standards in manufacturing, environmental sustainability, and safety.</li> <li>Establishing and maintaining a formal process for stakeholders to raise concerns and grievances, ensuring they are addressed responsibly and transparently.</li> <li>Establishment of an internal committee accessible through the intranet portal or via face-to-face meetings, offering guidance on responsible business policies and practices.</li> <li>The implementation of a confidential whistleblowing hotline for employees to report concerns anonymously.</li> <li>Adoption of stringent policies aligned with Global Reporting Initiative (GRI) standards to protect customer data and ensure the integrity of the IT infrastructure.</li> <li>Implementation of Global Supplier Quality Manual Standards for managing supplier relations.</li> <li>Under Supplier Quality Development (SQD) Plan, a comprehensive approach to improving supplier performance through initial assessments, continuous monitoring, and regular reviews, emphasizing the development and continuous improvement of Quality Management Systems (QMS).</li> <li>Implementation of a detailed Supplier Assessment Procedure and maintenance of an Approved Supplier Assessment List to ensure suppliers meet Orhan Holding Automotive Group's standards for quality, sustainability, OHS, and ethics.</li> <li>Processes aimed at proactively addressing potential challenges in the supply chain to ensure quality and compliance with Supplier Safe Launch (SSL) Report System and Passthrough Incident Follow-up.</li> </ul> | <ul style="list-style-type: none"> <li>Contribution to the cultural landscape, promoting creativity, education, and international cultural exchange.</li> <li>Enhanced Reputation for Data Security.</li> <li>The integrity and sustainability of the supply chain.</li> </ul> | <ul style="list-style-type: none"> <li>Collaboration with industry peers, exchange knowledge, and engage in collective bargaining processes, ensuring equitable representation and promoting industrial harmony.</li> <li>Sustainable business practices that ensure long-term viability and success by aligning with societal values and expectations.</li> <li>Sponsorship and collaborations promoting gender equality and supporting women's participation in sports and engineering contribute to societal development and regional growth.</li> </ul> |

# Value Creation Model

## Natural Capital

| Input                                                                                                                                                                                                                                                                                                                                                                                    | Operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Output                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Created Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <ul style="list-style-type: none"> <li>• Use of renewable and non-renewable resources such as water, land, and minerals.</li> <li>• Well-managed waste treatment system.</li> <li>• Efficient evaporation system at Nobel Automotive.</li> <li>• Engagement in environmentally friendly production approaches.</li> <li>• ISO 14001 Certificate for Environmental Management.</li> </ul> | <ul style="list-style-type: none"> <li>• Implementing an Environmental Management System in line with ISO 14001 standards for holistic environmental issue management, including emission control, waste management, and compliance with environmental guidelines.</li> <li>• Developing and Managing Ecological and Carbon Footprints with strategies aimed at reduction targets to mitigate climate change, incorporating engineering studies for environmentally friendly product production and life cycle analysis.</li> <li>• Utilizing Monitoring Systems to manage and minimize environmental impacts, alongside initiatives for water efficiency like reuse, leak prevention, and rainwater harvesting.</li> <li>• Fostering Environmental Awareness through employee training programs to cultivate an environmentally conscious corporate culture.</li> <li>• Adopting Sustainability Practices aligned with UN Global Compact principles, focusing on emissions reduction, resource efficiency, and environmental stewardship.</li> <li>• Promoting Circularity and Resource Efficiency by using recycled materials for waste storage, and implementing production methods suitable for a low carbon and circular economy.</li> <li>• Advancing Energy Efficiency and Renewable Energy Projects, such as solar heating and revamped ventilation systems, and transitioning to lithium batteries for equipment to improve energy efficiency.</li> <li>• Enhancing Wastewater Treatment Efficiency with innovative projects like optimizing drying processes with renewable energy and integrating circular economy principles in production to reduce waste.</li> </ul> | <ul style="list-style-type: none"> <li>• Reduced environmental impact through efficient resource use and waste management.</li> <li>• Conservation of natural resources by adopting sustainable practices.</li> <li>• Achievement of emission reduction for Scope 1 and Scope 2 emissions.</li> <li>• Maintenance of factories with ISO 14001, ISO 45001, and ISO 50001 management systems certifications, evidencing commitment to environmental, health, safety, and energy management standards.</li> </ul> | <ul style="list-style-type: none"> <li>• Sustainability through adherence to environmental best practices and regulations, ensuring the company’s operations contribute positively to ecological health.</li> <li>• Demonstrating leadership in sustainability and environmental responsibility, positioning the organization as a responsible participant in global efforts to combat environmental challenges.</li> <li>• Reduced operational risks and costs associated with environmental compliance and resource scarcity.</li> <li>• Enhanced operational resilience and a reduced environmental footprint, strengthening the company’s position as an environmentally responsible entity.</li> <li>• Strengthened corporate reputation and stakeholder trust by demonstrating a commitment to environmental stewardship and sustainable development.</li> </ul> |

# Value Creation Model



## Manufactured Capital

| Input                                                                                                                                                                                                                                              | Operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Output                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Created Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <ul style="list-style-type: none"> <li>Infrastructure and facilities for manufacturing fuel pipes, heating cooling pipes, exhaust pipes, and various auto parts.</li> <li>IATF 16949 for Quality Management in the Automotive Industry.</li> </ul> | <ul style="list-style-type: none"> <li>Utilizing global plants to manufacture a wide range of automotive parts for market leader OEM brands.</li> <li>Implementing efficient production processes and adopting the concept of continuous improvement to ensure uninterrupted production.</li> <li>Regular maintenance and upgrading of facilities and machinery to keep pace with technological advancements and operational requirements.</li> <li>Investing in technology to enhance operational efficiency and productivity.</li> <li>Incorporation of technological systems and camera-based error detection for real-time quality monitoring and control.</li> <li>Implementing quality management systems that meet IATF 16949 standards to ensure the highest quality in automotive parts production, from design through to manufacturing and delivery.</li> <li>Adherence to the Orhan Business System (OBS) protocols, which mandate internal audits across all processes at least once every three years in each plant or function, including thorough examinations during shift handovers or changes and an annual review of all product groups.</li> </ul> | <ul style="list-style-type: none"> <li>Delivery of high-quality automotive parts via logistics centers to global customers, enhancing the mobility ecosystem.</li> <li>Reliability and high quality of the manufacturing process that meet or exceed market standards and customer expectations, contributing to operational excellence.</li> <li>Increased production capacity, enabling the company to meet growing demand and enter new markets.</li> <li>Infrastructure development, including the expansion and modernization of production facilities in 15 countries across 4 continents.</li> </ul> | <ul style="list-style-type: none"> <li>Strengthened operational capabilities, ensuring the company remains competitive and can respond effectively to market changes and opportunities.</li> <li>Innovation in product development, facilitated by advanced manufacturing processes and a commitment to continuous improvement.</li> <li>Long-term asset value appreciation, enhancing the company's financial stability and growth potential.</li> <li>Positioning of Orhan Automotive among the leaders in developing markets, characterized by safe production facilities that integrate digitalization and technology infrastructure.</li> <li>Significant contribution to the automotive supply industry; supports functionality and efficiency of vehicles worldwide; creates value for mobility.</li> <li>Enhances customer satisfaction by consistently delivering high-quality products, leading to increased loyalty.</li> </ul> |

# Value Creation Model



## Intellectual Capital

| Input                                                                                                                                                                                                                                                                                                                                                                                                        | Operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Output                                                                                                                                                                                                                                                                                                                                                                                                                       | Created Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <ul style="list-style-type: none"> <li>Patents, proprietary technologies, brand, and organizational knowledge.</li> <li>Customer and employee feedback to inform continuous improvement.</li> <li>National and international collaborations that enhance knowledge and innovation capacity.</li> <li>Engineering centers dedicated to the development of innovative automotive parts and systems.</li> </ul> | <ul style="list-style-type: none"> <li>Conducting studies to integrate innovation and digitalization into the corporate culture.</li> <li>Developing a customer-centric digital strategy and ensuring product and service traceability.</li> <li>Investing in digitalization across plants and improving operational processes.</li> <li>Adhering to a Worldwide Code of Conduct and focusing on ethics and compliance to maintain high standards.</li> <li>Adapting R&amp;D strategy to focus on the development of advanced components and systems for hybrid and electrification technologies, including efficient fuel and power steering systems, and state-of-the-art fluid transfer systems.</li> <li>Making investments in digital channels and technologies to support new product development and service enhancements.</li> <li>Engaging in continuous innovation and knowledge management practices to stay ahead in the market.</li> <li>Ensuring comprehensive communication and understanding of Quality Procedures among employees to foster a culture of quality across the organization.</li> </ul> | <ul style="list-style-type: none"> <li>Introduction of new products and services and achievement of technological advancements.</li> <li>Enhancements in brand reputation through innovative offerings and responsible business practices.</li> <li>Increased production quantities and successful completion of digital transformation projects, indicating effective use of intellectual capital in operations.</li> </ul> | <ul style="list-style-type: none"> <li>Competitive advantage and market differentiation established through innovation, proprietary technologies, and a strong brand.</li> <li>Valorization of intellectual property, ensuring the company's knowledge assets contribute to its market value and competitiveness.</li> <li>Improved employee and customer satisfaction levels, reflecting the positive impact of digital strategies.</li> <li>Provision of a working environment that emphasizes continuous improvement, quality of experience and service for customers, and integration of circular economy projects into business processes.</li> <li>By aligning every member of the organization with the company's quality standards, Orhan Holding Automotive Group is enhancing its collective intellectual capital, fostering continuous learning and improvement.</li> </ul> |



**Orhan Holding**

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