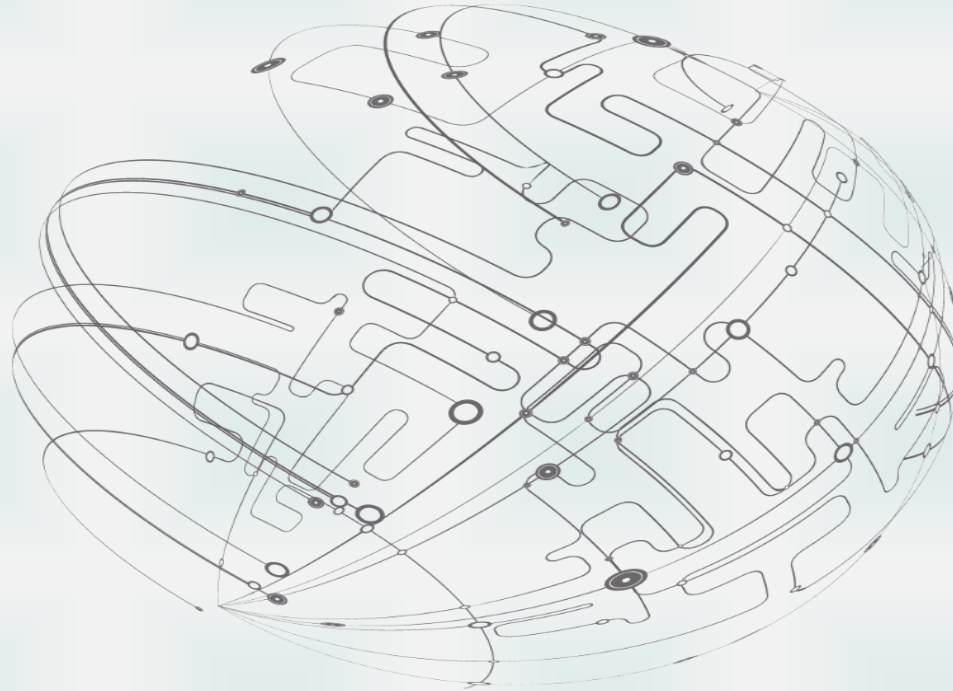


MARTURFOMPAK

I N T E R N A T I O N A L



UN GLOBAL COMPACT PROGRESS REPORT (COP)-2019

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About MARTUR FOMPAK INTERNATIONAL

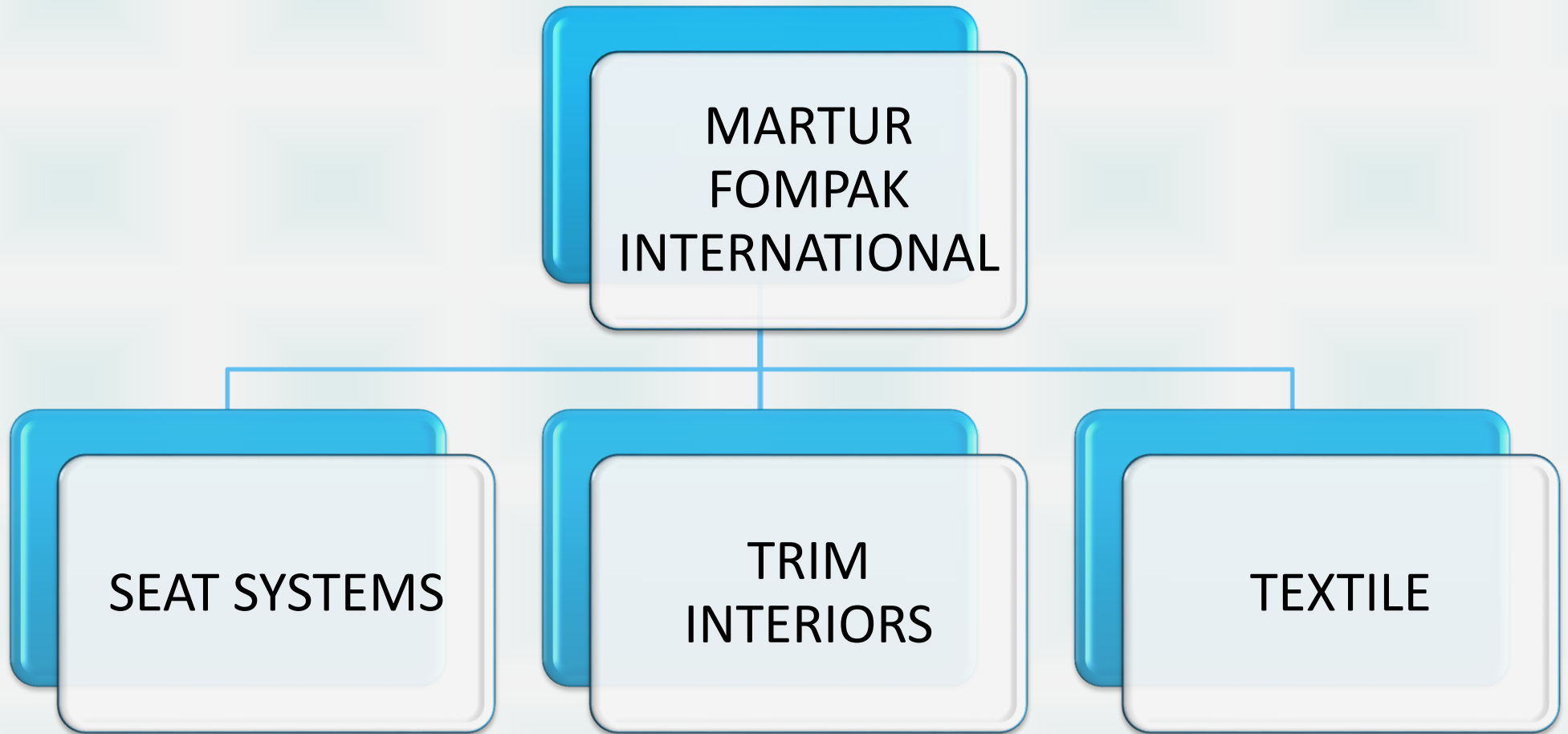
Integrity and focus on people assure that Martur Fompak International (MFI)'s excellence spans across every level of our business. Our long history of positive and effective employee practices provide us with a set of beliefs, approaches and tools that we apply in every detail of our business. In pace with our core values, we nurture a deep commitment to our employees. Developing and motivating people as innovators and leaders is a cornerstone in our management process.

An integral part of our DNA is creating long-lasting customer relationships and working closely with them to identify their need and provide solutions that support their success. The concept of providing solutions specific to our customers' challenges has been with Martur Fompak International since the very beginning.

Martur Fompak International is a member of group of companies supplying high quality products. With R&D and design offices in multiple locations in Europe, Martur Fompak International continues to set the standards for the industry.



Integrated In-house Production



Products and Services

Seat Assembly



Martur produces world-class, high-quality seat systems tailored to the standards of each specific customer in a working environment that attaches utmost importance to safety, leveraging its creativity, dynamism, and innovation. Martur utilizes

lean production methods to deliver its products to the right place at the right time, using the best logistics solutions tailored to the customer's expectations.

Seat Frames

Martur designs its seat structures from the ground up, with safety and comfort as its key design guides. FEA (finite element analysis) supported CAD and CAM techniques help produce the lightest, yet most durable and functional seat structures. Martur production technologies feature transfer presses that



utilize advanced technologies and automated welding equipment. Cathaphoretic coating applied before delivery ensures the longevity of the structures.

Seat Covers



Fabric arriving from the integrated production process undergoes cutting and sewing inside the production facility. The main goal here is to minimize raw material loss while increasing operational efficiency. Covers used in Martur

seats are produced entirely in the company's integrated production facilities for attaining the highest quality and creating added value.

Headrests / Armrests

Head- and armrests used in Martur seats are designed to offer maximum safety and comfort to the user. Finished products undergo Final Acceptance Tests in in-house testing facilities in accordance with



international testing standards. Products incorporate maximum aesthetic value possible without compromising on safety.

Seat Textiles



Martur manufactures high quality woven, warp-knitted and circular-knitted fabrics in a wide selection of colors and designs for the automotive industry. All subcomponents (such as

yarn, scrim and lamination foam) used in seat fabric production of Martur are manufactured in the company's Kütahya Plant that utilizes state-of-the-art technology to ensure maximum quality. Martur's R&D and Design teams develop fabrics on a project basis, with designs tailored to the customer's needs. The company has design offices in Turkey, France, Italy, the UK and Germany.

Headliner Textiles

Martur produces warp knitted headliner fabrics for the automotive industry. Knitting, painting and finishing processes are all carried out in the same production plant to offer the highest quality products to customers.



Flame Lamination

Flame Lamination, commonly used in automotive textile products, involves lining fabrics with polyether or polyester foams of varying widths to enhance flame retardancy.



In flame lamination, both faces of the foam are passed through an open flame to adhere to the fabric and the scrim. Compared to chemical glues, this method delivers a longer lasting product while increasing the flexibility of the fabric and ensuring a stronger stitch during sewing. All Martur seats, seat covers, door panels and headliners undergo flame lamination in in-house facilities.

Yarns

Martur established its Yarn unit in 1998 as part of its efforts to attain full integration in seat cover production. Martur's Yarn unit produces partially oriented yarn (POY), air texturized yarn and friction



texturized yarn, and also carries out custom yarn dyeing and production services in accordance with customer specifications. The unit is capable of performing all necessary physical resistance and colorfastness tests in-house.

Injection



Fompok utilizes cutting-edge injection moulding machines to produce bumpers, mud guards, dashboards, door panels, and plastic seat parts for the automotive industry

The moulding machines Fompok uses feature clamping forces ranging from 60 to 2,700 tons, as well as automated, sequential, gas, and bi-injection options.

Dashboard / Instrument Panels

Fompok produces PVC coated dashboards and glove compartments (including airbags) for the automotive industry using automated plasma cutting, automated gluing, thermoforming, laser



cutting, and vibration and ultrasonic welding systems. The company is able to use JIT or Kanban systems in deliveries to suit the needs of its customers.

Door Panels



Fompok produces front and rear door and trunk lid panels for the automotive industry using automated plasma cutting, automated gluing, thermoforming, cutting, ultrasonic welding systems, utilizing plastic

injection or thermal injection methods, or a combination of both. The company is able to use JIT or Kanban systems in deliveries to suit the needs of its customers.

Sun Visor

Fompok produces world-class, high-quality sun visors, offering the optimum solution for its customers in every aspect, including safety and comfort. This multi-technology approach enables the company to integrate its services into the supply chains of its customers all around the world.



Sun visors are produced using a sandwich method, shell method, EPP method or EPP & Sandwich with manual sewing.

Fompok's sun visor production processes make use of high-frequency cutting and welding presses.

Headliners



Fompok produces its headliners on seamless manufacturing lines, utilizing glass-u-tech technology.

Headliner foams are coated with adhesives using either spraying or

roll-coating, and headliners are cut using cutting dies or waterjets according to model.

The visible surfaces of headliners can be lined with either standard non-woven fabrics, or with soft touch knitted fabrics produced in-house.

Parcel Trays

Fompok produces wood stock parcel trays, using traditional methods (infrared heating & pressing) or with air-blowing.

PP+GF parcel trays are manufactured using thermo-compressing.



Slabstock Foam /Rigid Foam



Fompok produces flexible polyurethane block foam for the automotive industry for use in flame lamination, as well as other types of polyurethane foam wide a wide variation in

density, ranging from 20-50 kg/m³. In addition, the company is capable of producing semi-rigid foam for headliner manufacturing, with densities ranging from 22 to 28 kg/m³.

Seating Foam



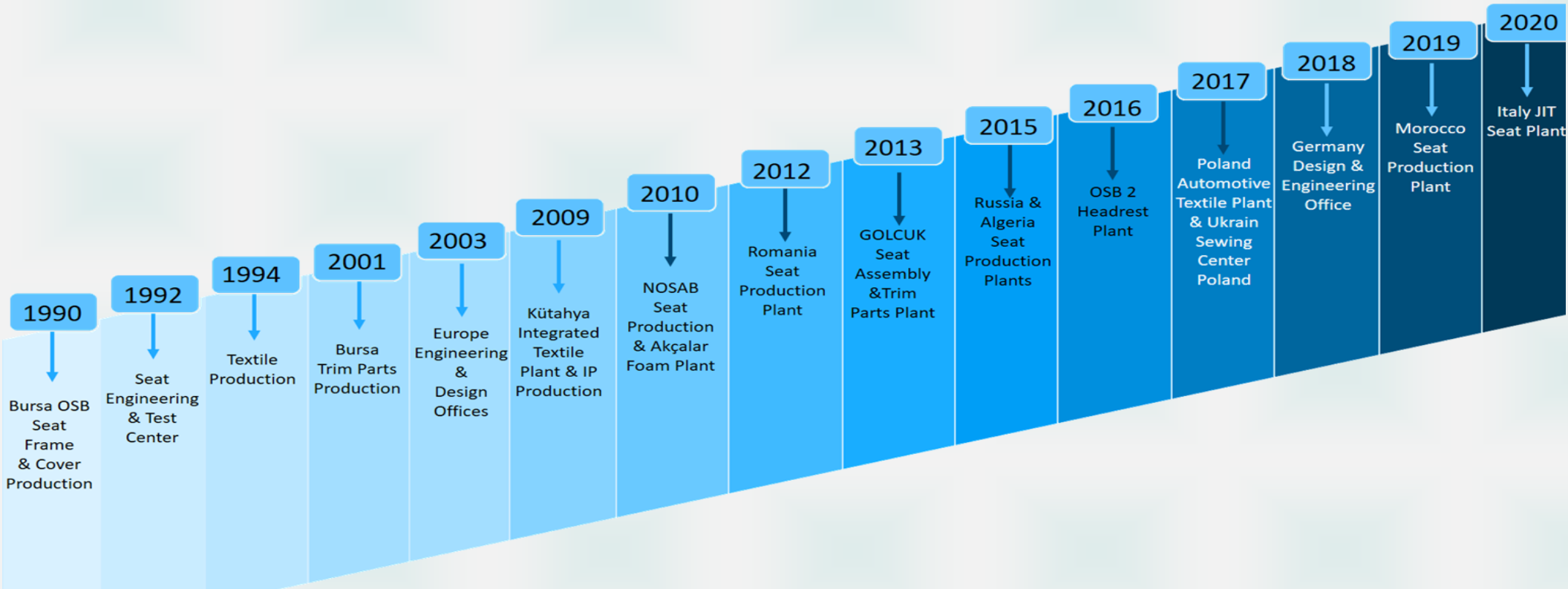
Martur is able to produce MDI and TDI-based molded foams, tailored to the comfort, durability, and aesthetic requirements of its

customers. Thanks to its expertise, extensive machine park and chemical formulations, Fompak is able to meet the needs of all automotive manufacturers.

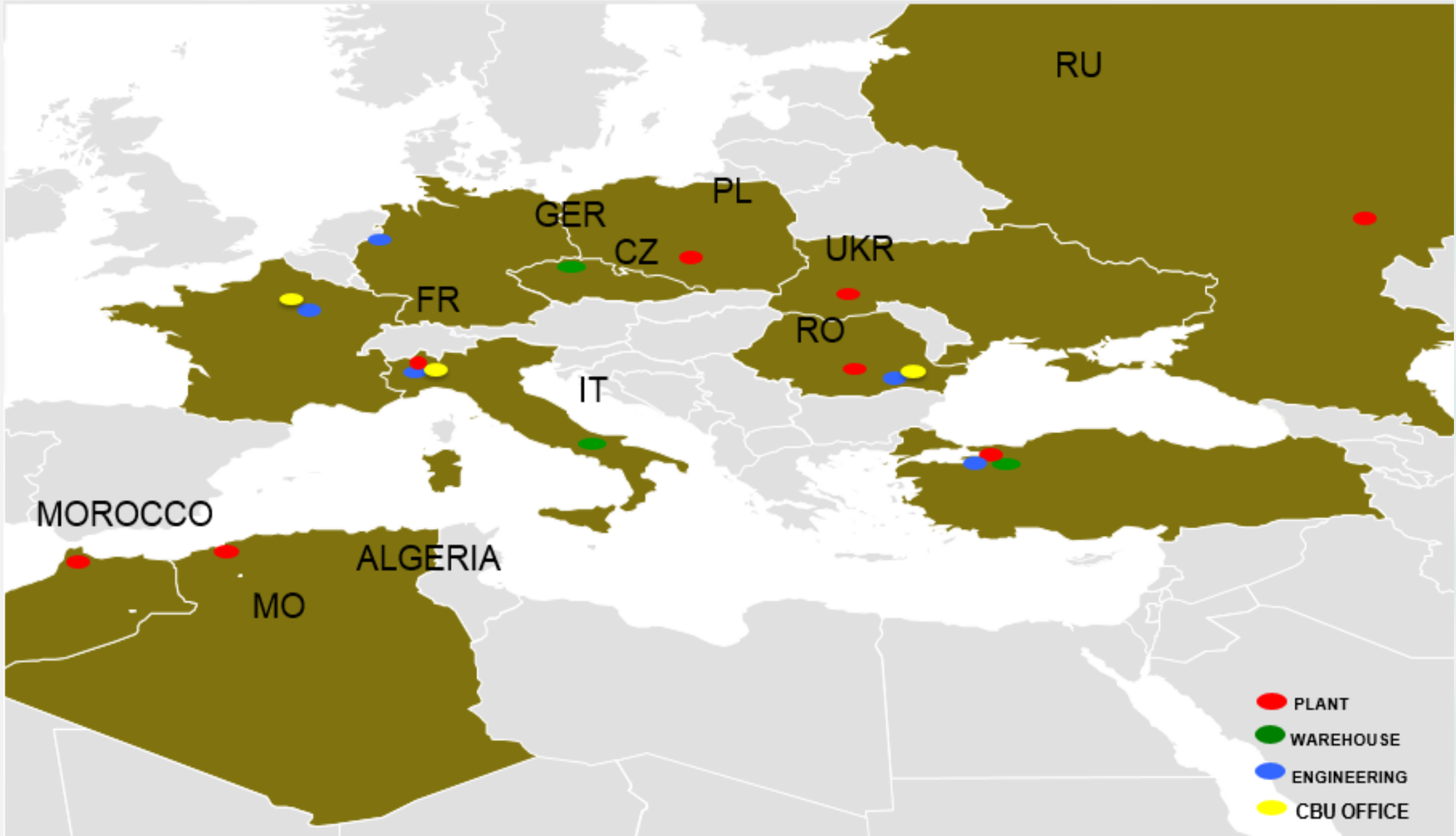
Martur can create its own foam formulas from scratch, utilizing automated formulation, raw material transfer and feeding systems. With integrated automation technologies, the company can create an end product with different density and rigidity in different locations. Martur's foam production lines use TDI, MDI, or a mixture thereof.

Martur's foam production involves a 503-meter overhead conveyor line that is critical for the two-hour curing process of the foam after it exits the mold. This curing process allows the foam to cure completely, and therefore minimizes deformation in the final product.

Company History



WHERE ARE WE?



Message of Board Member



We adopt to act with a sense of social responsibility towards our employees, the community and the environment of all our activities as a building stone. We believe that our core value is human resources in order to enhance the competitiveness of our customers by providing high-quality and innovative products, solutions and services.

Global warming and climate change are among the most important problems of recent times and leads to excessive consumption of natural resources. In order to leave a clean and livable world to the next generation we act with an environmental awareness in all of our activities and adopt to be the leader in this respect as a principle. We conduct effective projects to increase the energy efficiency, decrease the waste and the consumption of natural resources.

By signing the UN Global Compact, Martur Fompak International undertakes to share his works related to ten main areas which are located under main topics human rights, labor, environment and prevention of corruption with the whole world and to take the lead for his employees, suppliers and stakeholders in order to adopt Global Compact.

Martur Fompak International will continue to support ten principles of the UN Global Compact in a big loyalty.

Yours Sincerely,

MÜFIT KARADEMİRLER

Our Vision / Our Mission / Our Core Values

MFI is a member of a group of companies that supply high quality interior components to the automotive industry. Product design & development and innovative solutions form the key factors of the group

Mission Statement

As a world-class solution partner, we create and supply innovative cockpit systems at best quality, with best service and at the best cost

What We Do

We are a first tier supplier for automotive interiors and seating (we call it shortly as cockpit systems). Whatever the specification is, our mission is to provide our customers with the best quality and best service at the best cost. This is our competitive offer to OEMs that will ensure our sustainable growth in the global markets.

We position ourselves as a solution partner rather than just a supplier. Because we adopt our customers' objectives as ours. We strengthen their competitiveness and brand recognition with our world-class service and products.



Vision Statement

Reshaping mobility for people to provide a safer and more pleasant travel experience.

Aiming For

The world is becoming smaller. Mobility of people is increasing dramatically. People are travelling for their professional lives and also for recreational purposes. They spend long hours on the go. Our vision is to make their travels safer and more enjoyable.

We believe everyone deserves access to advanced technologies. So we work hard to offer highest technologies available.



Core Values



We Care

for People
for Diversity
for our Company
for Quality
for Customer Success
for the Environment



We Share

Success and Experience
Information
Customer Vision
Technology



We Dare

to Try
to Evolve
to Create
to Develop

Human Rights and Labor Practices



Martur Fompak International ensures that all its activities in each country where it operates are in line with the universal human rights proclaiming with its policies clearly shared on its website (www.marturfompakinternational.com).

We believe that our biggest power is our human resources to achieve our strategic targets and to manage the growth within continuously changing competitive conditions. In our business relations; we believe that WORK PEACE created by respect, communication, understanding and confidence atmosphere affects the sincere loyalty and working life success of our

employees and we show superior effort with respect this matter.

Martur Fompak International Human Resources Policy is a statement of its practices regarding management of its employees. The company provides equal opportunities to all candidates and employees regarding the principles in its policy.

These rules are the following:

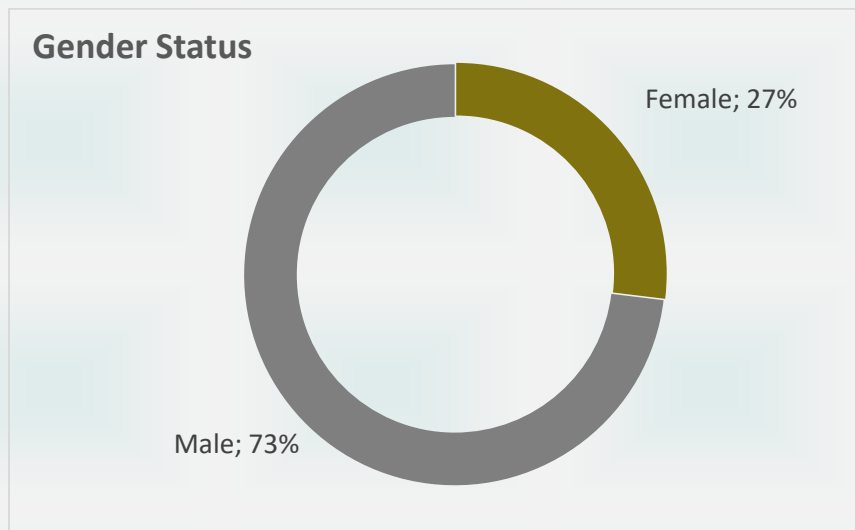
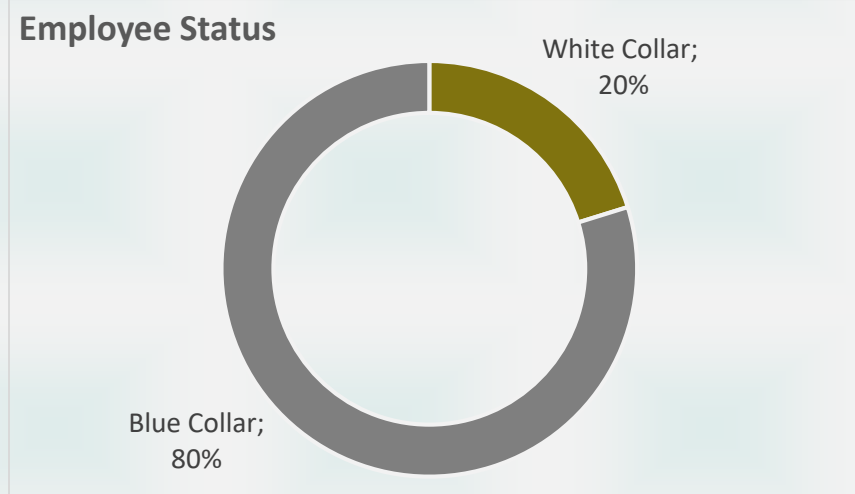
- No discrimination made on the basis of religion, language, race, gender, marital status, physical disability, region and etc.,
- Employees over age of 18,
- Salary Policy in line with our employees' competencies and performance, economical data and sectoral trends,
- Sustain the corporate and respect to the ethical values.

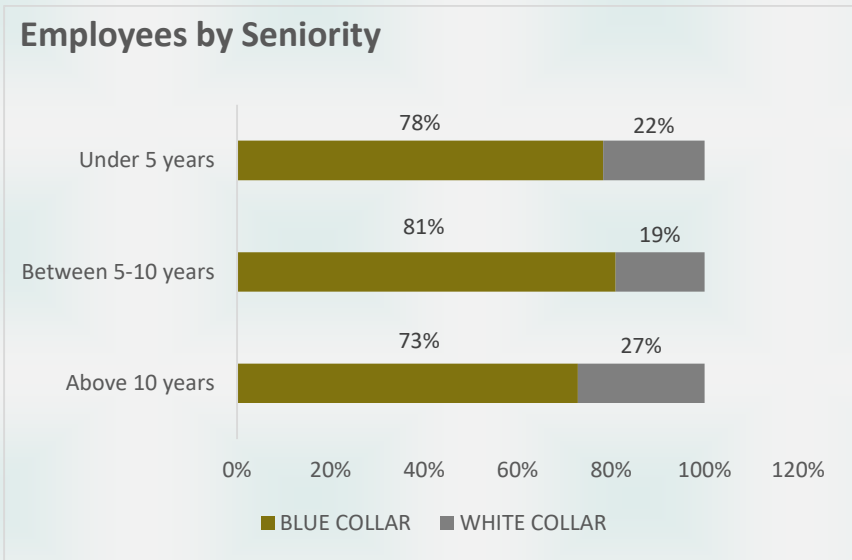
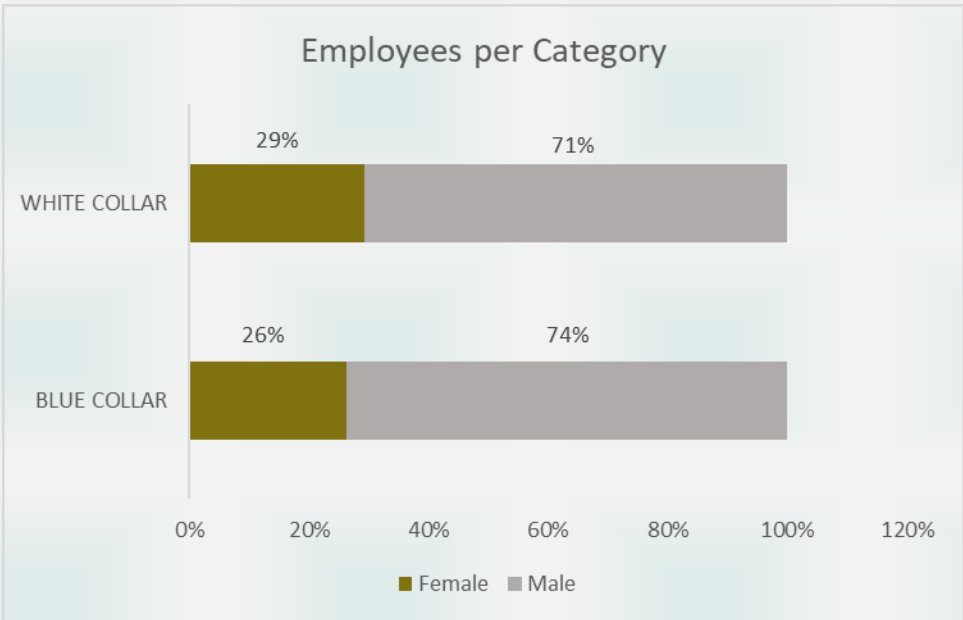
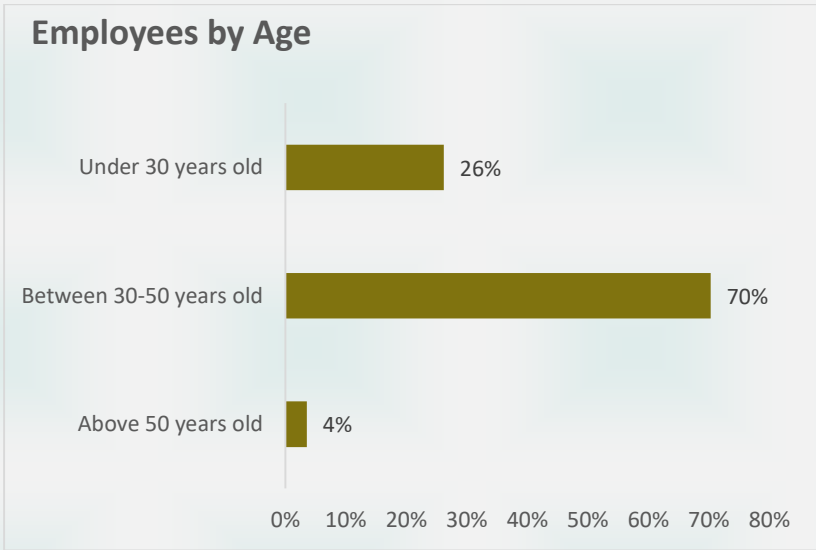
Our approach to business ethics is communicated to all employees and stakeholders through Ethics Policy. Ethics Policy provides guidance and set common ethical standards to promote consistency in behaviour across all levels of

employment. It governs the working relationships between management, employees and all other stakeholders.

Its functioning and proper implementation is ensured by the Ethics Committee. The "Ethics Policy" and related internal procedures and instructions are defined under the documentation system where all employees can reach. They ensure the dissemination of the ethical values of the company among employees as well as the prevention of probable violations. Each new employee is trained on the Ethics Policy, rules and the grievance mechanism. There were no incidents of ethical non-compliance within any of the Martur Fompok International facilities regarding the reporting period.

In Martur Fompok International operations, "employee representative" system has been in practice. Employees select their representatives and the representatives communicate the employees' needs and negotiate with the employer.





Total employee: 5035

Remuneration System & Fringe Benefits

Within the framework of company remuneration policy which is implemented with the principle of equal pay for equal work, wage level is determined by taking into consideration of some factors; the degree of difficulty of the work done, the knowledge-skills and experience required. Wage increases are done in accordance with the local laws and company regulations, at least once a year. Performance assessment is done and according to the year-end results, high performance employees are also subject to a performance increase.

Wage increases are determined by several factors; wage market, sectoral wage trends, personal performance, company economical strength and profitability.

The company policy and procedures conclusively prohibit each individual to be discriminated based on gender within the remuneration practice.

In case of collective redundancy due to customer production volumes dramatically decrease, the process is managed with utmost care to avoid demoralization and demotivation of employees, with an emphasis on the social aspects. In order to avoid any speculations among the personnel, as well as the start

and end dates of the process; the relevant procedures shall be communicated transparently to the employees.

Utmost care shall be taken to minimize the social effects and repercussions of collective redundancy. In the event of closing and/or moving a process, the personnel involved shall be offered three alternatives at the initial planning phase. Employees shall be offered the chance to work at the new location, quit with all their benefits and rights paid by the company, or assume a new role with the required training provided by the company. In case of collective dismissals required by the economical, technological, structural and similar operational conditions, or as a result of company or business requirements; the following employees shall be given precedence in termination of contract:

- Employees who have not completed their compulsory military service
- Employees who have reached their date of retirement
- If the employee to be dismissed is married, it is important that his/her spouse is employed

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- If the employee to be dismissed is married and his/her spouse works in the same organization, only one of them can be dismissed (in this case, we prioritize the spouse who is more likely to find a job elsewhere, regardless of gender).
- Employees who are not homeowners but tenants, who have children at school-age, who take care of the dependent family members only through their salary
- Employees who are on a fixed term employment contract and whose contracts have expired.

In this case, the severance and notice pay, the salary, the annual leave fees are paid by the company in accordance with the legal requirements the day of leaving on the employee's bank account.

The company offers different kinds of fringe benefits; clothing, shoes, heating allowance, transportation service to/from company-home, food basket, Bayram allowance, Christmas allowance, Easter allowance, health insurance package, vacation allowance etc. which are regulated according to country/location specific needs/priorities.

All employees are informed about their rights and company regulations by the Employee Handbooks.

Health Service



Martur Fompak International has an equipped health center to meet local requirements. The infirmary/first aid team may provide services (first aid, periodical health controls and/or training)

based on the legal regulations.



The company wants to reduce health risks of its employees, improve quality of their lives and cares about their physical and mental health. For this reason, in some locations as an improvement, the company offers dietitian & psychologist service.

Employees can visit the infirmary whenever they need to receive support under privacy policy.

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The company also provides childcare support to its female employees to enable women employment. In Kütahya plant which is a textile center, women make up the majority of the workforce in the plant (59%). Historically, few married women in the region, particularly mothers, were in the labor market. The company provided free childcare for the employees so this service enabled and encouraged women to start to work for the company and stay for the long term.

The company supports the employees' children who meet the specific criterias by scholarship and internship opportunities. Between 2007-2019, 686 students have been supported by scholarships.



Some figures from global operations

New Talents



For Martur Fompak International, each employee is a talent and must be selected and recruited carefully. The company approach is to select and recruit the best fit for the job expactations and company culture. With this approach, the process is being improved every year and new tools are being added for matching candidates' competencies and attitudes against the required characteristics.

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In the reporting period, the company received a finalist recognition for LinkedIn Rising Star at the 2019 LinkedIn Talent Awards. The Talent Awards are the region's flagship program for companies who have made a mark in the recruitment and employer branding space.



The company reaches the young talents through diverse channels to let the new generation become familiar with the company. The company participates in the activities of the local



technical school and universities, has internship agreements with them and invites the students for technical visits to the

facility, cooperate in joint research projects.

Especially the local universities where the company operates are strong partners; company representatives participate the technical seminars and symposiums and enhance the information exchange between the industry & academy.

In addition, the company HR searches new talents through "Üstün Yetenek" Program. It is a part time student study program where the students can get the opportunity to work with professionals from different functions, work in a real project, have the opportunity to learn the business from professionals and experience the automotive industry.



Welcome aboard!

A good onboarding process builds a sense of connection and delivers real value for the organization in terms of employee retention and accelerated productivity. In Martur Fompok International, each new employee passes through a standardized 1-day orientation program and then a 2 months-specialized orientation program which prepares him/her to the respective position. While classroom and office trainings are being organized for white collars, shopfloor trainings also take place for blue collars. The employee has to gain operational skills, so s/he is trained on the operations by the dedicated trainer in a special training area. The new employees' programs are supervised by HR and their managers, and the effectiveness of the program is absolutely evaluated at the end with checklists/surveys to see the points to improve.

HR organizes a meeting with each new employee to learn about initial impressions, feedbacks and training or other needs. These meeting notes are inputs for company HR improvement activities.

Talent Management



Our employees are our most important strength in our global success and in achieving our sustainability goals. We put an approach in the center that responds to employee needs for talent management and acquisition. Our main goal is to bring the best human resources to Martur Fompok International with a comprehensive approach to provide competitive advantage and to provide continuous development by offering innovative training and practices to all our employees. In line with this goal, we constantly invest in human resources, differentiating employee experience and development opportunities in line with changing trends, and establishing the business environment of the future together. We ensure effective

communication with our employees and internalize the innovative and creative corporate culture.

With the performance management system, company targets and strategies are deployed from top to the bottom.

Having a people-oriented management culture at its core, Martur Fompok International believes that its existence and sustainability depend on its human resources. For this reason, Talent Management focuses on all employees. The company supports the development of human resources in line with the company objectives through career and development plans with Martur Fompok International Academy.

Performance Management

Management by objectives, development in line with the competency model, effective communication with our employees and mutual feedback are the basis of performance management system. With the system, each Martur Fompok International employee fully understands how to improve his/her individual role and performance and makes significant

contribution to achieving the company core business objectives.

Business objectives and competencies are evaluated on the performance evaluation system.



The company competency model

Managers meet their employees at least twice a year and at these meetings, mutual feedbacks are given in a transparent way. The evaluation results provide input in many human resources processes, from training & development to career planning and succession.

Training & Development

Development of our people is fundamental for our success. In order to ensure success of the company, targeted training is being implemented and evaluated both in terms of our people's understanding and the impact of the training on company performance.

All of our Training and Development programs are designed with the principles of continuous development and Growth Mindset, aligned with the corporate strategy. Considering the rapidly changing and developing conditions, the process is followed by keeping agility in the foreground as in every field and the development needs are observed for all levels.

While our company focuses on gaining and developing behavioral competencies, exploring and guiding potential, career development and level-based leadership trainings, our employees are supported in their "Functional Development" trainings regarding their professional development in the department or line of business. We started actively The Individual Development programs 2018/2019, where employees can develop themselves entirely under their own

control as they wish in the areas of their own special interests and/or develop the areas they need in their work & social environment. They can contribute to their own development with the online trainings on our e-learning platforms voluntarily.

In 2019 regarding all global locations:

- a total of 15400 people * hours were realized with our programs realized in the Functional Development category,
- 12154 people * hours of training and development were realized with our programs in the Corporate Development category.



The company has an institutional academy founded in 2014. The aims of the academy are;

- To plan and execute training programs that will develop skills and competencies for everyone working in MFI
- To promote company competencies, Growth Mindset structure and corporate culture among all group employees

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- To create programs which support the talent development and personal development globally
- To develop learning methods that use technology greatly and open to new ideas
- To plan behavioral and technical trainings that support the personal and functional development
- To develop programs that will enable to promote the corporate identity and corporate culture globally.

INDIVIDUAL DEVELOPMENT	E-learning (LMS)
FUNCTIONAL DEVELOPMENT	Quality School Lean 6-Sigma Green Belt Lean 6-Sigma Black Belt Quality Mindset Program Procurement School Internal Auditor School Lean Production & WCM Pillar Programs
CORPORATE DEVELOPMENT	Growth Mindset Agile Leaders Geleceğe Yürüyenler Programı Mission: Growth Gelişimi Yönetenler Programı Sahayı Okuyanlar Trainers' training Coding

Company Training Modules

In addition to these programs above, there are training and development opportunities offered by the company such as foreign language trainings or webinars. Employees can find various visuals, audios and reading materials/resources on e-learning platform.

The People Development Pillar has achieved a level of score 3 in 5-level scale in WCM external audit in 2 locations and the methodology is being deployed to the other locations.



Career Planning & Succession



Martur Fompok International considers career planning and succession management as a key process for employee engagement and company future growth.

The company offers opportunities to its employees for using and developing their competencies effectively. For this reason, the company defines for its potentials the career paths and support their development. Key positions within the organization are identified and appropriate candidates are specified. Short-term, medium-term and long- term succession plans are prepared, and candidates are developed for their future positions.

Recognition & Rewarding



Recognition and rewarding system is a supplementary part of our overall talent management. The company looks for any opportunity to keep the motivation high. There are many categories such as;

- Performance
- Seniority
- Pension
- Attendance
- Education progress
- Continuous development (suggestion, kaizen, lean team)

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The company strives to create the best working environment for its employees and always looks for improvement areas. Employee satisfaction is the extent to which employees are happy or content with their jobs and work environment.



The company has been awarded with the “Employee Engagement Achievement Award” by the independent external company for “making a difference in the business elements that affect employee engagement and employee experience”.

The company prepares improvement plans and realizes projects based on the

survey results in each locate.

Health and Safety

With the goal of zero accidents, we carry out our activities on Occupational Safety and Health. With the occupational safety rules and trainings that we have determined within the scope of Martur Fompak International we ensure that the occupational safety culture is spread to our employees at every level. We manage our activities with a risk-based approach.

Since 2010, we have OHSAS 18001 Occupational Health and Safety Management System certification.

We received ISO 45001 Certificate

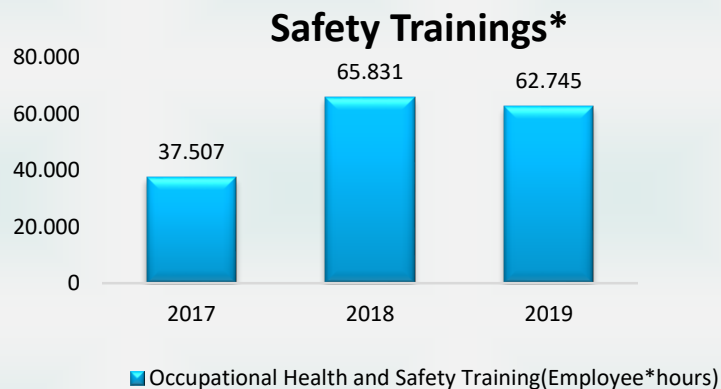
In 2019, we received 45001 OHS management system certificate for all our production facilities following the ISO 45001 Occupational Health and Safety Management System audits carried out in our foreign and domestic plants.



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OHS performance and activities (including legal and others) are reviewed monthly with the participation of management and employees by OHS committee meetings.

OHS trainings are provided for all employees and subcontractors within the scope of legal requirements and the creation of a work safety culture and raising safety awareness on employees.



*Safety trainings is belonging to Martur Fompak International facilities.

The detailed risk analyzes are conducted to detect and eliminate potential injuries/health problems as a proactive approach. The risk analysis team consists of an OHS specialist, production manager, employee representatives and the department responsible. Necessary measures are taken

according to the control hierarchy after the related risks are identified. In determining of Occupational Health and Safety Hazards and Risks; working environments, types of energy used in working environments, ergonomics, chemicals, processes, noise and fumes released to the workplace during the activities, operations carried out by employees at all levels and operations performed by subcontractors are evaluated. There is a well-prepared procedure for risk analysis and all Martur Fompak International locations shall be follow this procedure.

To prevent chemical hazards; there is an automatic dosing system in the plant producing foam. To prevent mechanical and physical hazards; shielding systems are available in welding machines. It is an aim to establish ergonomically convenient lines in the seat assembly. All the studies are completed before the installation of the lines.



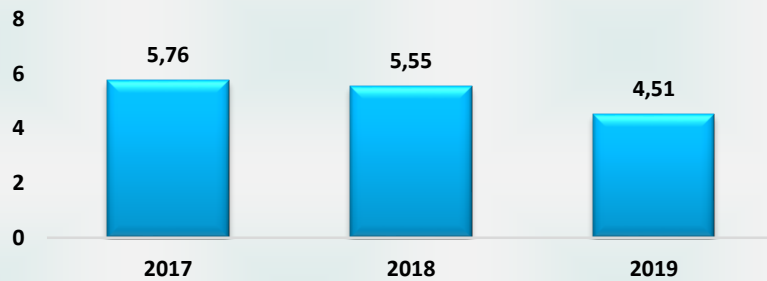
In order to be ready for emergency situations such as fire, earthquake, leakage etc. emergency action plans are prepared and practiced periodically. Drills covers announced / unannounced drills in the annual period. Internal and external

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emergency response teams such as firefighters, fire department of the region, rescue team and first aiders are participated into the drills.

In Martur Fompak International there are few injuries. The main type of work accidents is finger cut due to metal parts.

Accident frequency rate**



**Accident frequency rate- Martur Fompak International Facilities (including subcontractors) (total number of lost time injury events) x 1,000,000 / total hours worked)



There is **NO** fatal accident and **NO** occupational diseases ever.

Enterprise Risk Management



By evaluating the effects and possibilities of risks that may affect our company, we have created risk management to minimize these risks. With the proactive approach, we evaluate the financial / non-financial effects in the long term. Martur Fompak International A.Ş. It prepares, monitors and updates its own risk and opportunity analysis in order to prevent the occurrence of inconveniences that are likely to occur under the leadership of the relevant department responsible and Management Systems Responsible for each process determined in accordance with its strategies.

Protection of Personal Data



Protection of personal data is among the top priorities of Martur Fompak International. MFI is committed to the principle of protecting the privacy of our customers, potential customers, employee candidates, company shareholders, company officials, visitors, employees, shareholders and officials of the institutions and third parties. The activities of our Company regarding the protection of personal data of our employees and stakeholders are managed under the Protection and Processing Policy of Personal Data.

Technical and Administrative Measures Taken to Ensure that Personal Data are Processed Lawfully our company takes technical and administrative measures in accordance with

technological possibilities and application cost to ensure that personal data are processed lawfully.

The relevant people are informed about what personal data processed by our Company are, what purpose they are used for, and for how long they are kept.

Environment and Energy Management

According to our Occupational Health And Safety, Environment And Energy Policy, we committed;

- To respect all related national and international legal requirements, and compliance obligations by the interested parties
- To maintain the continuous improvement of the performance of occupational health and safety, environment and energy management system by increasing the effectiveness of our activities with workers participation and consultation
- To prevent any living organism from being negatively affected by our products and activities

Our Environmental and Energy Management

Approach

Within the scope of the product life cycle, we carry out our works on environmentally friendly and energy efficiency perspective. Activities in processes are decided and managed with this approach by evaluating environmental impacts from raw material to the disposal of products.

We support to ensure of environmental sustainability with following and committing 17 Sustainable Development Goals. We develop our management systems by 17 SDGs and insert them into our corporate policies.

With in scope of this, Management Systems are certified by external certification body with 14001 Environmental Management System, 45001 Occupational Health and Safety System, 50001 Energy Management System, 14064 Geerhouses Management System and 16949 Automotive Quality Management System Certifications.

Martur Fompak International has ISO 14001 Certificate since 2004 and there have no nonconformity until now.

You can access the whole text of Occupational Health and Safety, Environment and Energy Policy at the website www.marturfompakinternational.com

Environmental management system external audits are carried out yearly. No nonconformities were raised in 2019, too.



In 2017, 14001: 2015 version was audited and the transition was achieved with zero nonconformity.

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Since 2013, Martur OSB plant has 50001 Energy Management System Certification and it is the first automotive supplier industry, which gets this certificate.

Energy Management Working Group was established by the Energy Management Representative in October of 2012. This group find out several energy reduction project and reduced CO2 emission due to energy consumption.



ISO 14001 and environmental legal requirement trainings are provided to employees every year during refreshment and orientation programme as Martur Fompak International.

Training Name	2017	2018	2019
Waste Management (Employee*hours)	1.030	3.963	2.694
Environmental Accident and Emergency Conditions (Employee*hours)	855	318	360
14001 Env. Management System Information (Employee*hours)	4.750	3.454	1.014

Martur OSB plant is First Automotive Supplier in Turkey, which gets 50001 certification.

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Martur Fompak International acts in awareness of global warming, climate change and gradually decrease of natural resources. Martur Fompak International constantly reviews production and service activities in order to minimize the environmental impact and energy consumption, uses more recycling raw material and advanced technology at all stage of product & process design by considering the energy efficiency and environmental issues.

Visual Training are given to all employees in Environment Club & Energy Saving School which opened on the Environment Week in 2011.

Visual Training corners in the Environment Club and Energy Saving School;

RENEWABLE ENERGY

AIR PRESSURE

WATER SAVING

SAVING EQUIPMENT

INSULATION

LIBRARY

Hands-on trainings are provided to our employees in the Environment Club & Energy Saving School.



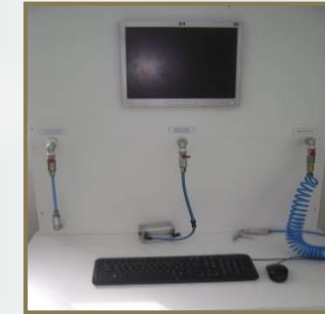
Water Saving Equipment



Energy Saving Bulbs



Solar Pannel



Air Pressure Equipment



Environment and Energy Library

Climate Change



Climate change is determined as one of the biggest problems of countries, humans, business world, shortly of whole world. A number of initiatives are being developed in order to reduce greenhouse gases in international, regional, national and local levels.

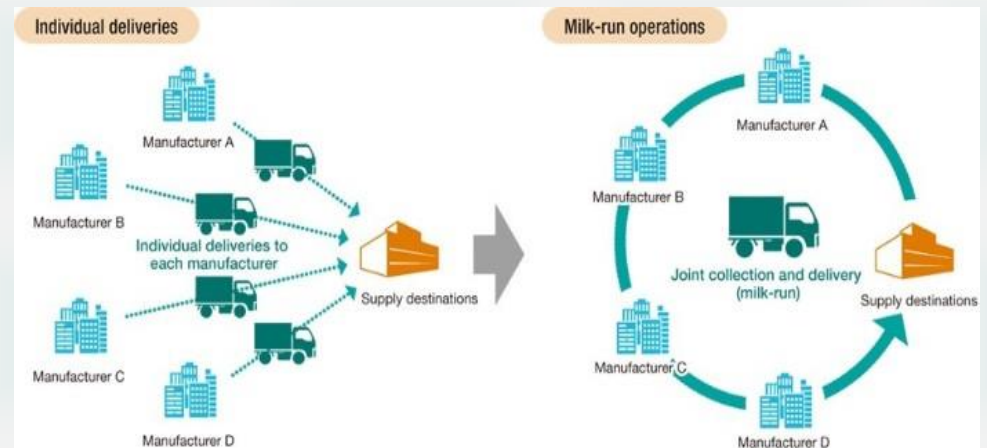
Those initiatives are based on calculation of greenhouse gases removals, monitoring, reporting and verification.



MARTUR OSB have 14064 -1 Greenhouse Gases Management System certification since 2012.

Martur OSB plant is the first automotive supplier to get 14064 -1 certification

Improvement Project on Transportation



Milkrun was implemented to reduce environmental impacts due to logistic activities. At the result of this project, 55 tons CO₂ was reduced.



Improving our Energy Efficiency



Martur Fompak International aims to reduce the energy consumption per vehicle by means of the works carried out within the scope of the greenhouse gas management system and energy management system. In this context, the defined KPIs are followed.

In this scope, we have made energy improvement projects in 2019.

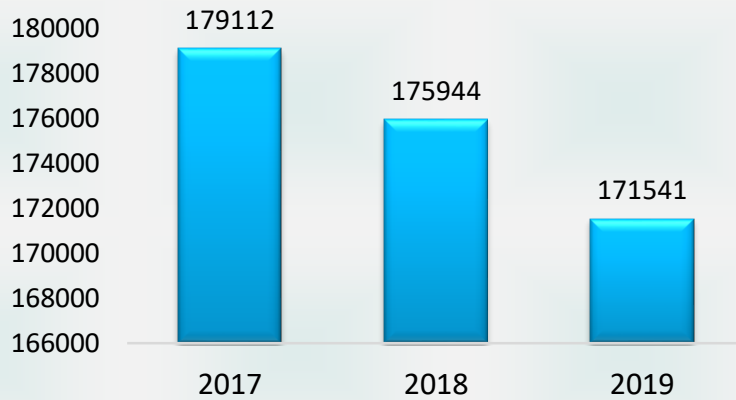
- Automatic Shutdown of Ventilation Fans in Non Production Times
- Optimization of cataphoresis furnace chimney fans according to the occupancy rate.

- Prevention of cataphoresis boiler heat losses
- Monitoring of Chiller of pumps over scada and stopping operation in non-production times



29.500 Kwh/year energy saving is achieved with the solar panel.

Electricity Consumption GJ



Within the scope of Greenhouse Gas Management System Certification, Greenhouse Report is prepared and calculated greenhouses datas as yearly. It was a voluntary reporting, there is no legal or other requirements on this subject.



Greenhouses gas Emission was calculated as 10,58 kg CO2 /seat in 2019.

Also, air emission measurements are done every two year within scope of legal requirement. Air emission measurement parameters and results are also evaluated according to World Bank standards annually.

Results are too lower than the limits.

Air Emission measurement result***

Parameters	Legal Limits	Measurement Result- 2017	Measurement Result- 2018	Measurement Result- 2019
CO	50	0,0167	0,005	0,035
SO₂	60	0,0078	0,0073	0,008
NO	20	0,1994	0,1828	0,169
NO₂	-	0,3058	0,2928	0,273
Dust	10	0,1248	0,3177	0,809
TOC	10	-	0,341	0,341
VOC	-	0,00003	-	0,2281

*** Emission measurement is belonging to Martur OSB

Water Management

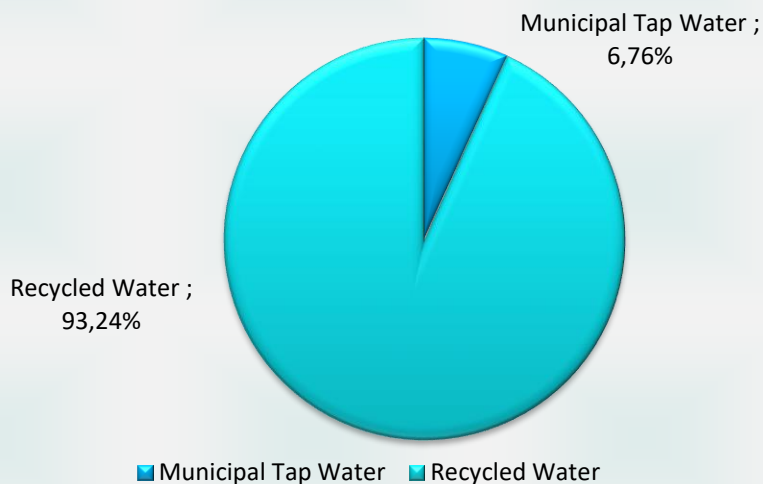
Municipal tap water and industrial recycled water are used in the cataphoresis process. Especially, projects are carried out in relation to the use of natural spring water in the process. In end of the 2015, Reverse osmosis system was started to use in cataphoresis. Accordingly, the amount of recycled water was increased to 15.656 m³ in 2016. In 2018, water filtration system was exchanged with the ultrafiltration system. Thus, the usage amount of recycled water was increased to 30.043 m³ in 2019.

Realized Improvement projects for water saving ;

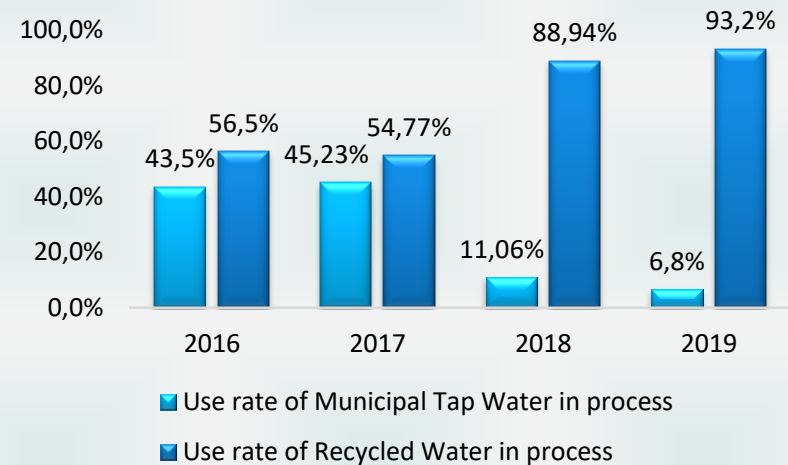
- Recycled water requirement from ultrafiltration system.
- Obtaining drinking water from municipal water.

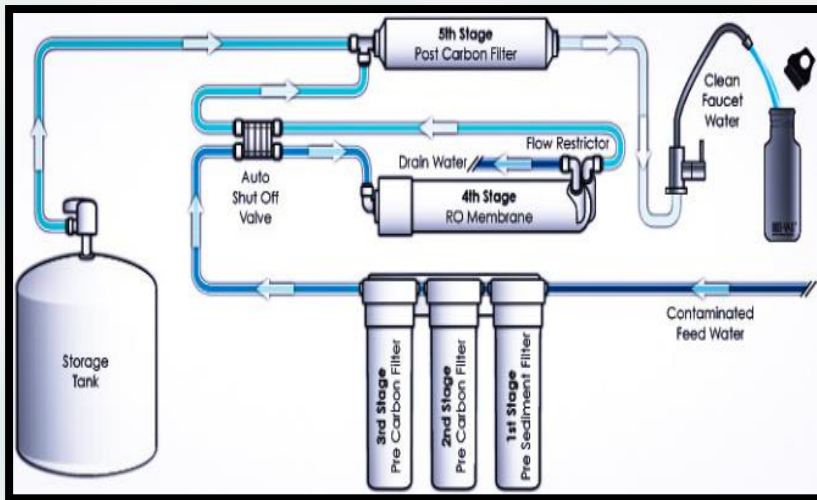
Recycled water usage increased 93,2% in the cataphoresis process by the ultrafiltration system.

Total water withdrawal by resource (2019)



Water Use Rate in Process





Drinking water requirement was provided by the treatment of tap water instead of carboy, thus reducing **CO₂ emissions of 27 tons / year.**

Chemical Management



The most commonly used chemical in our processes is the cataphoresis process. Water-based chemicals are preferred and used in this process. Chemical uses are monitored monthly. The chemicals are selected and used in all processes in line with the REACH regulation and IMDS system. In this context, there is no possibility to use any prohibited/restricted substances.

All chemicals are evaluated with SDS forms. Chemicals are categorized according to their hazardous properties and the chemicals with the least hazard are preferred. The effects of the used chemicals on the environment and human health are analyzed and proper controls are set.

UN Global Compact Progress Report -2019

Chemicals are stored in the chemical storage area according to the storage matrix.

The proper personal protective equipment are determined by the work safety specialist and ensured to use.

MSDS and emergency kits are available in chemical usage and storage areas. And there is a detailed procedures for the chemical management.

Alternative chemicals are searched to reduce the usage amount of paints and the usage of less chemicals is supported by projects.

Integrated Waste Management



Martur Fompak International supports the efforts to reduce the generated waste. Recycling Waste generated at the facility is collected separately at source in accordance with the type of waste and legal requirements. It is classified according to waste type and sent to recovery or disposal facilities. Non-hazardous wastes

from the offices are collected separately and sent to recycling facilities.

Waste by Type (ton)	2018	2019
Hazardous Waste (Energy Recovery)	343	303
Non-hazardous Wastes (Recycled)	4.804	4.241



DOMESTIC WASTE

There is NO other waste to send for disposal except from domestic waste.

All wastes are stored at the waste site in accordance with legal requirements.

There is an emergency trolley in case of an environmental accident in the waste area and production areas. In the event of any environmental accident, the first intervention is carried out with the equipment there.

Support for Zero Waste



Zero Waste Project initiated by the Ministry of Environment and Urbanization and to be implemented gradually between 2018 - 2023 in all public institutions in Turkey, terminals, educational institutions, shopping centers, hospitals, entertainment and recreation facilities cover establishments.

Martur Fompak International aims to achieve the zero waste target by focusing on the following activities:

- ❖ Prefer technology that does not generate as much waste as possible.
- ❖ Use of waste as source / raw material.
- ❖ Increasing the decomposition rates of food wastes evaluated with in scope of domestic wastes.
- ❖ Reduction of waste sent to landfill.
- ❖ Arrangement of trainings and incentives for works on zero waste.

Use of Packages and Packaging Waste Management

Martur Fompak International attaches importance to Logistics-environmental activities and aims to minimize the environmental impact by minimizing packaging waste. In this context, it pays attention to choose environmentally friendly packages.

With the transition to ecopack instead of cardboard boxes, cut down **532 trees** were prevented. In this way, **12 tons of CO2** was provide of absorb per year. Furthermore, this plastic packages contain **60% recycled material**.

Green Purchasing



Green purchasing activities have started to be implemented within the scope of the use and purchase of environmentally friendly products and materials. In this context, green purchasing guideline, green purchasing policy and procedures have been prepared.

Within the scope of green purchasing activities;

- ❖ Sustainable supplier guide and sustainable supplier report are prepared annually.
- ❖ The chemicals used are evaluated at the purchasing stage to ensure that they are environmentally friendly.
- ❖ Martur Fompak International an environmental survey is done on the supplier portal and our suppliers are evaluated in terms of compliance with environmental and legal requirements.
- ❖ In line with our annual plans, we conduct supplier audits on environmental and OHS issues for our environmentally risky suppliers. Efforts are made to develop suppliers.

- ❖ We evaluate our suppliers about HR, OHS and Environmental topics with E&S Self assessment

Life Cycle Evaluation of our Product

14001 Environmental management system standard requirements are considered in our facility and our products are evaluated by considering national / international requirements.

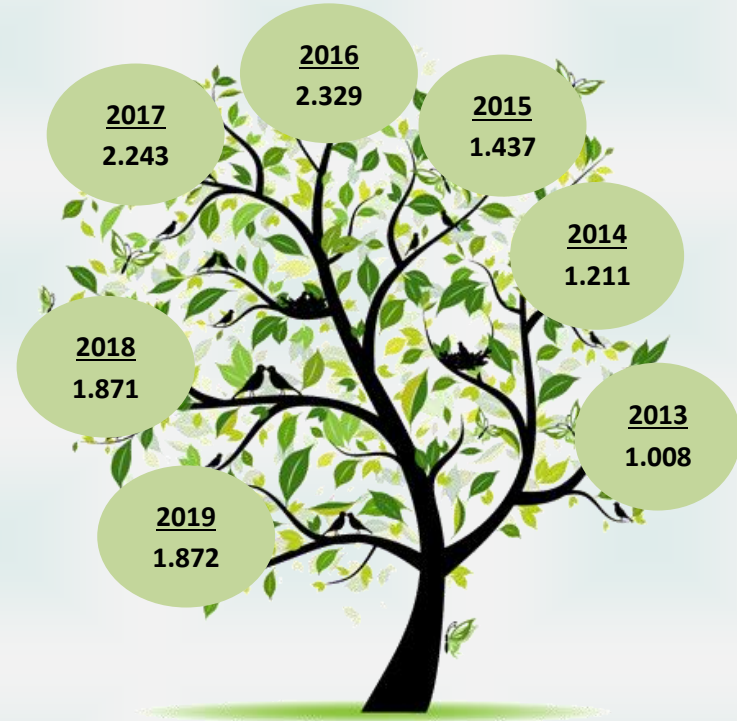
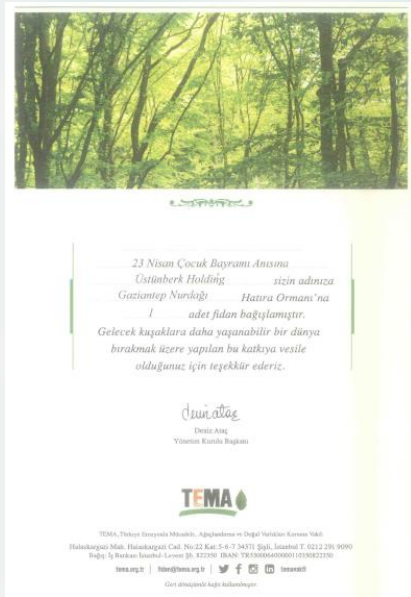
14001: 2015 With the environmental management system standard, impact dimensions and life cycle of the product should be evaluated. In this context, the environmental impacts of our product seat from raw material | impact dimension tables. Our final product the seat are evaluated as metal, procurement to disposal process are determined with our environmentafoam and cover one by one. Based on this, the status of the product at the end of its service life in the disposal process was determined.



The life cycle evaluation of our product at the end of its life cycle is below

Metarials	Status
Metals	100% recyclable
Foam	100% reuse
Cover	100% recovery

Tree Planting Collaboration with Tema



Martur Fompak International planted 11.971 trees for employees' children who are between 6 and 14 years old through the medium of TEMA.

Company Social Responsibility



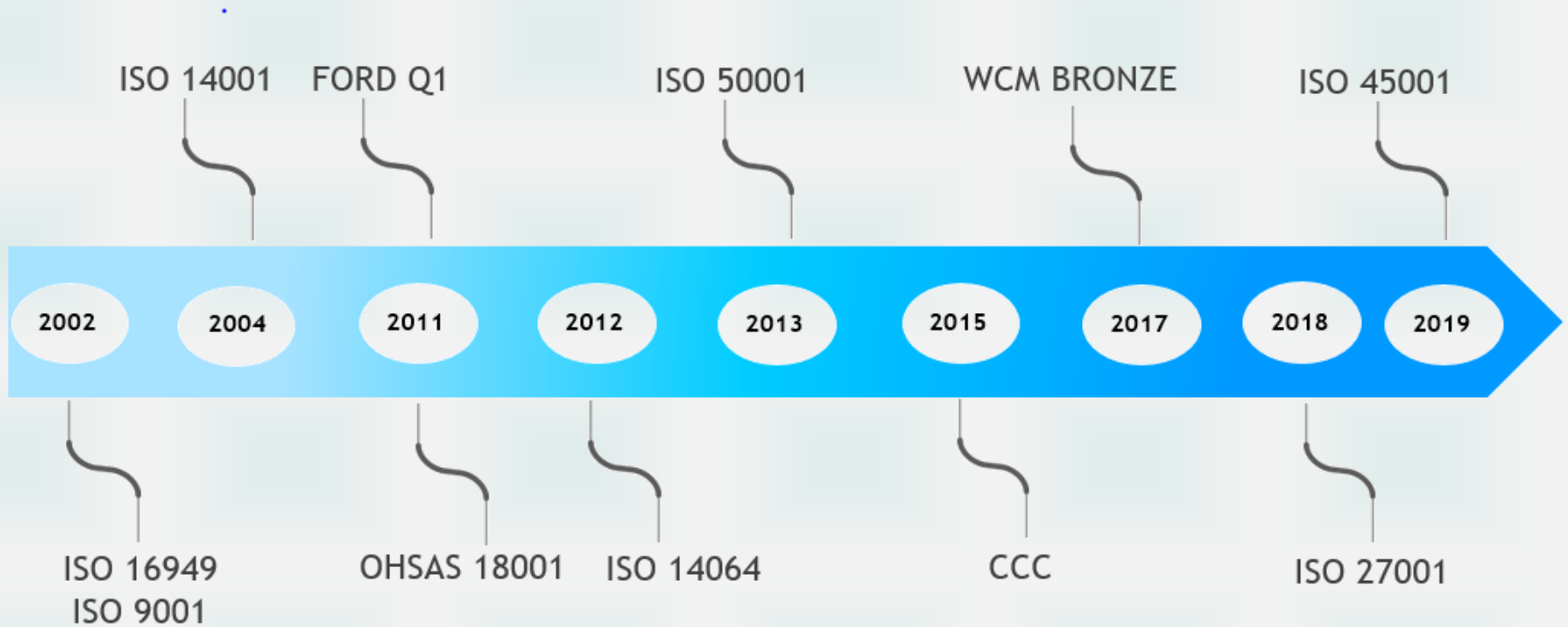
The company is always sensitive about its responsibilities towards society and act in collaboration with its employees, public, non-governmental organizations and other stakeholders as it promised in its Social Responsibility Policy (www.marturfompakinternational.com).



In the reporting period, company realized many projects such as;

- Visiting the residents of the local nursing home to spend time with them and present small gifts
- Collaboration with local schools, participating their activities and supporting for the students' education
- Sponsorships for cultural organizations (local philharmonic orchestra etc.
- Organizations to attract attention on environmental issues (World Cleanup Day, World Environment Day, etc.)
- Blood donation in collaboration with Red Crescent
- Digital trainings for children
- Afforestation in collaboration with NGOs

Certificates



Awards



BOSİAD Environment-friendly Industrial Facility Award – 2018



SAP – Gold Winner in Business Transformation Category- 2014



WCM – Bronze Award for Martur OSB Plant – 2017



FORD OTOSAN – Best Supplier Award - 2014



OYAK RENAULT - 2013 Best Supplier Award – 2014



Q1 – “Q1 award” for Gölcük Martur by Ford Automotive Industry- 2016



BUSİAD –Value Adders to Economy / Innovation Awards – 2013



SAP – “Golden Prize” for Üstünberk Holding SAP Project - 2014



FIAT – Supplier Relationship Award – 2014



FIAT - WCM - The Most Successful Major Kaizen Applications, Managerial Pillar and Professional Maintenance Applications – 2012



MINISTRY OF SCIENCE INDUSTRY AND TECHNOLOGY - R&D Center Award – 2010



TOFAŞ - Supplier Quality Award – 2005



FIAT - Strategic Partnership Award – 2010



FIAT - Best Supplier Proposal Performance Award – 2010



TOYOTA - Value Analysis Award - 2009



FIAT - Most Successful Supplier Award in Technical Cost Improvement

TOFAŞ - Yan Sanayi Kalite Ödülü - 2005



MAN - Best Supplier Award – 2005

We Dream, Develop, Realise, Test, Produce and Deliver



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