

SP NEWS

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STANDARD PROFIL

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Our South African Plant Worthy of **VDA 6.3 Quality Standard**



SOUTH AFRICA PLANT GENERAL MANAGER MURAT AKMAN:

We are the only local supplier in the South African market

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Our factory in Cape Town, South Africa was awarded the VDA 6.3 Quality Standard, a remarkable achievement. The quality certification will consolidate our presence in the industry. The standard is considered one of the preconditions for new project offers from the Volkswagen Group. The news of this tremendous accomplishment was met with great enthusiasm among our employees in the South African plant who worked tirelessly to obtain the certificate.

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SOUTH AFRICAN FAMILY OF STANDARD PROFIL

Standard Profil South Africa was established in 2011 with 11 employees. Today, the plant operates with a total of approximately 200 people including 167 direct and 30 indirect team members. In their words, "We want to build SP South Africa into a supply powerhouse, enhance the quality of life for our families and have a lot fun on the way there."



"Work Safety Comes First" for the maintenance and occupational health and safety team in Manisa

The Occupational Health and Safety Department in Manisa is a strong unit of 80 professionals. The health and safety of our employees, as well as the maintenance of our machinery, is in their hands. Aware of this responsibility, the team works selflessly for a "Safe, Well-Kept and Accident-Free Work Environment."

Standard Profil Global Competency Library prepared with contributions from the entire staff

The entire Standard Profil Family specified observable and measurable knowledge, skills and behaviors that play a critical role in the performance of our company and employees.

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TURHAN SEMİZER / CEO

We all need to focus on quality

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We are excited about new projects



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VICE PRESIDENT PROCUREMENT SEZAI AKDEMİR:

We have achieved a "strategic purchasing" transformation

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We all need to focus on quality

"QUALITY" is the catchword that sums up our 2015 goals. In this issue of SP News, I would like to tell you why quality is so important and indispensable. Quality not only ensures customer satisfaction and therefore loyalty but also serves as a reference point for new customers and potential projects. In this context we know quality shapes our future.

Thanks to actions we have taken since early 2014, we have made progress in the quality of products we deliver to our customers.

We improved quality level in all of our plants and consequently performed better during customer audits. Recently, thanks to the LCI (life cycle impulse) authorization we obtained from BMW in July, we are now a sourcing supplier for all our customers.

As of April 2015, we have significantly reduced the non-quality costs returned by our customers in 2014. This situation costs us both money and our reputation in the eyes of customers. The improvement in this area automatically the opportunities of new business for us. Meanwhile, as of the end of July, the figures reflecting our waste and scrap rates have grown compared to last year, as a result of the trials for the new projects. We have to urgently reverse this trend, focusing all together on quality and making the best use of our resources.

As you well know, quality assurance is mostly seen as the job and responsibility of the quality department. However, quality control is everybody's job. In the words of Henry Ford, one of the greatest figures in the automotive industry: "Quality means doing it right when no one is looking."

If we review the way we work and integrate quality in all of our processes, we can create more productive projects with the millions of Euros, which are wasted in costs each year. To achieve this goal, we shall derive the benefit from the values of our 8,000 employees from across five different continents, cultures and experiences.

The cooperation and interchange of knowledge and experience within our teams must be recorded in our corporate memory and, if need be, shared in all of our plants. We can take advantage of this richness by setting standards in our processes. Our constantly stated goal of sustainable growth is guaranteed that way. We can hence make a difference within a climate of tough competition as well as create resources to fund projects we need to improve ourselves.

In the belief that the issue discussed above is a personal responsibility as well, I invite you to review the way you work and reflect on how to use our resources more effectively, efficiently, with higher quality.

Looking forward to a future better focused on quality.



Turhan Semizer / CEO

We are excited about new projects

We at Standard Profil reinforce our position in the industry with brand new projects. Our factories continue to manufacture weatherstrips for leading OEM brands. Following are the newly launched production lines:

MANISA 2

Audi Q7



Volvo XC 90



TANGIER

Renault Laguna



Renault Espace



GUANAJUATO

VW Golf



Audi Q5



MENDEAVIA

Renault Laguna XFD



Standard Profil Global Competency Library prepared with the participation of the entire staff

The entire Standard Profil Family specified observable and measurable knowledge, skills and behaviors that play a critical role in the performance of our company and employees.

We at Standard Profil Group continue to work on institutionalization efforts underway since early 2014. We are happy to announce that as of April 2015, we completed the "Competency Modeling" project launched in December 2014. We will share our Competency Library with our entire staff in October 2015. The international consulting company Taurus Group Consulting/ DDI Turkey supported our "Competency Modeling" project.

OUR EMPLOYEES ADDED VALUE TO THE PROJECT

The Competency Modeling Project started with the initiative of senior management on the basis of our company's vision, mission, strategic goals and values. The first step was to determine the competencies of senior management. A total of 25 workshops were organized for seven job families, namely Senior Management, Strategic Leadership, Operational Leadership, Practical Operational Leadership, Team Leadership, Expert, Team Member and Administrative Support. A total of 161 employees participated in the



workshops, of which 16 were held in Istanbul with the participation of project representatives from SP Turkey. Nine workshops were held in Logrono with participation from SP South Africa, SP Bulgaria, SP China, SP Spain and SP Morocco. SP Group company employees were surveyed about their opinions on the specified competences, the results of which gave birth to the Standard Profil Competency Library. All of our employees hence added value to the project.



STANDARD PROFIL SETS FIVE FUNDAMENTAL COMPETENCES

As a result of these activities, a total of 41 competencies were specified for seven job families as part of our competency modeling. Five competences jointly decided in all workshops have been approved as fundamental competences of Standard Profil. The competency library is to be gradually applied in almost all human resources areas including performance assessment, career management, selection & placement, and training. Following the specification of competences, the Human Resources Team of Turkey was trained on "Goal-Oriented Selection," devised competence-based job

interview guides, and started to follow the competence-based interview method in the recruitment process. The initially goal-oriented "Individual Interview" process we started in January 2015 now includes the competences. We have thus initiated a goal and competence-based performance assessment system.



SEZAI AKDEMİR, ASSISTANT GENERAL MANAGER OF THE PURCHASING DEPARTMENT, COMMENTS ON THE EFFECTS OF GLOBALIZATION IN THE AUTOMOTIVE INDUSTRY

We have achieved a “strategic procurement” transformation

Sezai Akdemir referred to a fast-paced transformation in procurement processes due to globalization, adding that traditional procurement is now replaced by strategic procurement at Standard Profil, an international player in the automotive industry

One of the most predominant forecasts for the automotive industry in the early 1990s was that the number of original equipment manufacturers would reduce fast, with a handful of companies consolidating and rising to global prominence in the industry. That prediction was accurate. During the process of this huge transformation, companies have started to redefine their structures according to the new order as well as the processes for each function on the new scale. Globalization entails a multinational structure, which in turn made it vital for businesses to build communication, coordination, efficient manufacturing sites in developing markets, and teams operating those sites. Such a large-scale transformation in turn required more strategic action in every area. Naturally, “Strategic Procurement” fast replaced “Traditional Procurement” under the wave of transformation and ever-growing competition. Automotive manufacturers went through a change that resulted in the consolidation of their suppliers (Tier 1), with manufacturers preferring global suppliers as much as possible instead of local or regional suppliers. This shift hence paved the way for a medium and long-term risk minimization and sustainable development.

GROWING BUSINESS VOLUMES AND GLOBALIZED SUPPLIERS

It isn't hard to guess that this trend had a domino effect in the Tier 1 supplier group with a phase difference, spreading onto Tier 2 as well. Globalized Tier 1 suppliers follow the same path with expanding business volumes, similar effects of globalization as well as the guidance of their clients (original equipment

manufacturer, OEM). Consequently, the road we will take in procurement to achieve lasting success as a global player in the automotive industry is already set by the industry. We set out on a journey of transformation in September 2014 with this vision presented and the decision of the management.

We first engaged in long situation analyses with the procurement team. We collected data in direct, indirect and machinery-equipment supplies,

both in person and in groups.

We evaluated these data during workshops with the related teams. We uncovered problems and their effects on our company and our performance. That knowledge has helped us develop responses to eliminate problems systematically

in the short, medium and long term. The picture was not far from expectations: the problems caused by a failure to adjust the procurement system to the global scale and the unlimited number of opportunities offered by these problems. The solution was already available: “Strategic Procurement.”

STRUCTURAL TRANSFORMATION IN PROCUREMENT

The activities launched in September 2014 were sanctioned by the publication of the Global Procurement Organization in March 2015. The organization turned the Eastern and Western operations into a global structure in Direct Procurement. Each member of our experienced Direct Procurement Teams in Turkey and in Spain has since been placed in charge of global duties in certain areas. We will now be able to conduct our raw material procurement within a global strategy. Our colleagues have started to compare and analyze the different experiences of both operations in order to set global standards based on the better one. We have categorized the great variety of indirect procurement of goods and services at world standards and appointed Category Leaders and Experts for each area. These teams have finalized their opportunity areas with data collections and consolidated information obtained in their own areas so far. We have abandoned the traditional mindset of “any member of procurement staff takes care of any sourcing” and adopted the principle of “each member of procurement staff makes sourcing



Now our colleagues in Düzce, Manisa and Istanbul engage in procurement for the entire SP Turkey within their own areas of responsibility. The procurement is therefore carried out with consolidated tenders with supplier choices made according to both short-term and long-term needs of all locations. We used to have a total of 7,500 suppliers, but in the first half of the year this number started to fall with numerous tenders carried out in all indirect procurement categories. Since September 2014 we have established the infrastructure of the Category Organization while reducing costs on average 10% in tenders. In 2016 we will continue to generalize this improvement we launched in Turkey across the SP Group.

based on a strategy in their own area of responsibility.”

COSTS HAVE DECLINED

Our machinery-equipment procurement is now decided during the “Sourcing Committee” meetings. Our aim is to make sure that our procurement serves short-term cost reduction and long-term strategic goals. The long-term strategic goals include a constant reduction of costs by establishing a new supplier infrastructure in low-cost countries as well as maintaining and increasing our competitive edge against our global competitors. Compared to similar sourcing in the past, we have reduced costs by 33% in this area since January 2015. Needless to say, as we planned and launched the said radical transformation and performance, we have not reduced the theoretical and practical development of our Procurement Team in “Strategic Procurement” to “on-duty training” only. This year a world-class procurement training program was launched in Standard Profil Group. In 2015 our all procurement team have started to receive trainings and consultancy

services from an internationally renowned and reputed institution specializing in procurement, namely Chartered Institute of Purchasing & Supply (CIPS). Global and regional strategies are developed for direct, indirect and machinery-equipment areas in our company. We develop our strategies and then turn them into official documents with comprehensive information. These



strategy documents will be reviewed and approved by the Board of Directors every year as of 2015. Our company's global procurement strategies will thus be

familiar to everyone and will enable the crucial strategic component of more effective cooperation among different functions.

This major transformation inspired me when I joined the Standard Profil Family. And now, seeing it come to life breeds a lot of hope. Allow me to highlight the open-mindedness and efforts of our colleagues so far, as well as the high performance they showed during the process of change. We are still at the beginning of a long journey. I hope our efforts will make a well-deserved contribution to the company's growth goal.



Our factory in Cape Town, South Africa was awarded the VDA 6.3 Quality Standard, a remarkable achievement. The quality certification will consolidate our presence in the industry. The standard is considered one of the preconditions for new project offers from the Volkswagen Group. The news of this tremendous accomplishment was met with great enthusiasm among our employees in the South African plant who worked tirelessly to obtain the certificate.



Our South African Plant Worthy of VDA 6.3 Quality Standard

We the Standard Profil family continue to build up our achievements further every day. At the special request of our client Volkswagen South Africa, in June we successfully passed the supervision for VDA (Verband der Automobilindustrie) 6.3 process with 85 grade points. We have thus been awarded a quality certification of considerable importance in the industry. The VDA 6.3 certificate will enable us to make offers for new VW projects in the SP South Africa plant. VDA 6.3 certification covers all main processes specific to

VW, chief among these the manufacturing processes including product development, human resources and maintenance. In order to pass the supervision for certification, SP South Africa had to provide comprehensive answers to each of the detailed questions related to these processes, supported with evidence and implementations. The systemic processes in our South African plant have been entirely enhanced according to VDA 6.3 requirements. Our South African plant was founded with only 11 employees in 2011. Today, we are proud to have brought such achievement to our group with a great, dynamic team of 200 dedicated personnel.

ÇİĞDEM ALTINIŞIK
CENTRAL-QUALITY MANAGEMENT
METHODIC TEAM LEADER



The joy of those who push the limits

We as Central-Quality Management Team paid numerous visits to SP South Africa throughout the quality certification process, supporting them and carrying out projects together. The entire South African team pushed the limits of their efforts for the projects and enhancement activities. The joy of victory at the end of all the work was a memorable scene in the plant. We follow up the specific certification supervisions and certificates of all of our customers across SP. In the last quarter of 2015, we will supervise the VW VDA 6.3 overhaul in our Mexican and Bulgarian plants. Elaborate preparations are underway in both plants, similar to their South African counterpart. We believe that these plants will also successfully pass the supervisions.



STANDARD PROFIL SOUTH AFRICA PLANT GENERAL MANAGER MURAT AKMAN:

We are the only local supplier in the South African market

I graduated from the Mechanical Engineering Department of Uludag University. Throughout a career spanning more than 13 years in the automotive industry, I worked in various positions in engineering, maintenance, project and continuous improvement. I joined the Standard Profil family this year and have held the office of general manager of the South African plant since April. The most important factor behind my decision to join this family was the dynamic and professional approach of the management in growth and development. I take great pride in being part of a company with a vision to become an industry leader and a strong presence in the global market.



WE AIM TO EXPAND OUR CUSTOMER PORTFOLIO

Currently, our only customer is Volkswagen. We produce for VW240 and VW250 models produced in South Africa. We are currently preparing for the new Polo (VW270), the production of which will start in 2017. Compared with Europe, South Africa is a far less saturated market in the automotive industry. Standard Profil is the sole supplier in the weatherstrips. Our top priority is to take advantage of this leadership and expand our customer portfolio (Nissan, Ford, Toyota, Mercedes, BMW etc.).

WE WILL FURTHER CONSOLIDATE THE STANDARD PROFIL BRAND

In order to achieve these goals, we as SP South Africa family have set quality and customer orientation as our priorities. We support continuous development and learning, organization and participation of every unit in these processes. We want to become a company that understands the standards and expectations of the automotive industry, driving its operations accordingly. We are making our mark in the South African automotive industry with the support of our global organization and expertise.

The certificate will enable us to make offers for new VW projects in the South African plant, which has achieved the status of a supplier with VDA 6.3 authorization in the VW Group.


NOMAKAYA MRAUSI

We are doing teamwork

I started to work in SP South Africa as Operator in 2011, and now I am in charge of Final Control. To me, SP means a good family and a work environment that offers development opportunities. I believe that the teamwork here is very important for efficient production and reduction of waste.

ANDRE DAVIDS

We are looking forward to new work

I have been a member of the SP family since June 2011. I was hired as Operator and now I am a Quality Technician. SP offered me the chance to improve my skills and acquire new ones. Although not without its challenges, the work environment is no different from a family here. We are always looking forward to the excitement that comes with new opportunities and work. I hope that my department becomes the top department in SP.


KHANGELANI TUNGELA

Standard Profil offers wonderful opportunities



I started to work at SP in April 2011, and now I am working as Manufacturing Coordinator. SP South Africa has a work environment that offers wonderful opportunities for development. Our focus is data analysis for continuous improvement of productivity and quality. Teamwork is vital to make production, reduce wastage and increase customer confidence in our products.

ABOUT CAPE TOWN...



CAPE TOWN IS ONE OF THE THREE CAPITALS OF THE REPUBLIC OF SOUTH AFRICA. IT IS ALSO KNOWN AS THE FOURTH MOST POPULAR TOURIST DESTINATION IN THE WORLD. THIS CITY FOUND ON THE SOUTHERNMOST END OF AFRICA HAS A POPULATION OF APPROXIMATELY 4.5 MILLION. THE CAPE OF GOOD HOPE AND TABLE MOUNTAIN ARE AMONG THE CITY'S TOP TOURIST ATTRACTIONS.

Do you know how to speed up your metabolism?



Who doesn't want an orderly metabolism that works fast? Because a fast metabolism helps burn more calories as well as enabling weight control. Expert Dietician Serkan Tutar explains the ways of increasing the speed of the metabolism.

8 GOLDEN RULES

INCREASE MUSCLE MASS: Muscle mass is directly correlated with calorie burning. If your muscle ratio is higher than normal, this actually means that your metabolism rate is higher than what it is supposed to be. With regular exercise during the day you can increase the burning of calories by almost twofold. It is key to make sure that exercise is regular.

BURN MORE WITH WATER:

Your body needs water to maintain its functionality. If your water intake is not sufficient then your metabolism might slow down. Studies confirm that people who drink

8 cups of water a day burn more calories than people who drink 4 cups a day.

GO PROTEIN-HEAVY: Foods rich in proteins have a higher thermogenic impact compared to carbohydrates and fats. As we digest food high in proteins our bodies burn more calories. This helps your metabolism run faster.



CONTROLLED TAURINE INTAKE:

Many energy drinks speed up the metabolism thanks to their caffeine content. Taurine, which is found in some energy drinks, also increases the speed of the metabolism. You must, however, consult your doctor or dietician before you consume such drinks.

DRINK PLENTY OF GREEN TEA:

Green tea offers a combination of benefits to increase the speed of the metabolism for



a couple of hours thanks to its catechin and caffeine content.

INNOCENT SNACKS: Going without food for long periods of time between meals slows down the metabolism. Healthy snacks will speed up your metabolism as well as reduce calorie intake during the next meal.

DRINK STRONG COFFEE:

If you are a coffee addict you should continue to cherish your morning coffee ritual. Coffee



increases the speed of the metabolism as well as giving your concentration a boost.

SPICE IT UP: Spicy foods rev up your metabolism. Adding an average of a tablespoonful of chili powder or other spices to your meal increases the speed of your metabolism.



There are things we say and there are things we don't. Then there are things we cannot say... Where words fail, body language comes to our aid. Even when we don't explicitly express ourselves, there is a hidden message that our bodies convey with each and every move.

When words fail **body language** steps in...

As we all know there are two sides to communication: listening and speaking. Speaking is an art in itself. Listening is another matter entirely. Studies reveal that the role words play in communication is a mere 10%, with the tone of voice constituting 30% and body language around 60%. The way we carry ourselves in our professional lives, the way we walk, the way we laugh and even the way we dress convey major clues about our state of mind to others.

A GUIDE FOR BODY LANGUAGE AT WORK

Movement of the eyes, the way you move your hands and arms when you speak help people listen to you attentively and inspire trust. The opposite causes people to think that what you say is not true. Crossing your

arms during a meeting means that you are closed for communication, putting one hand under one armpit while the other is free means that you are ready to communicate and to be convinced, crossing your legs means that you have shut down yourself. Interlocking your fingers, on the other hand, means you are distressed and tense, bringing an object to your mouth (like the temples of your glasses or a pen) means you need trust, supporting your chin from below means you need physical support to help you stay focused on the subject and scratching your chin means you

are in the process of making a decision. Making eye contact in the right fashion and showing your hands is especially important in the world of business.

TO INSPIRE TRUST...

If you are dealing with people from other cultures at work, you must make sure that your hands are visible and are not in your pockets, under the table or behind your back. Playing with your hands, face or hair will not look professional. People whose words and behavior are not in conflict always inspire more trust.

CROSSING YOUR ARMS DURING A MEETING MEANS THAT YOU ARE CLOSED FOR COMMUNICATION, PUTTING ONE HAND UNDER ONE ARMPIT WHILE THE OTHER IS FREE MEANS THAT YOU ARE READY TO COMMUNICATE AND TO BE CONVINCED