

An aerial photograph showing a winding asphalt road that curves through a dense, lush green forest. The road has several sharp turns, and a few small cars are visible on it. The sunlight filters through the trees, creating a dappled pattern on the road and the forest floor.

Otokar

# SUSTAINABILITY REPORT 2024





## ABOUT THE REPORT

Otokar 2024 Sustainability Report for the period from January 1, 2024 to December 31, 2024 has been published on the corporate website in July 2025. Since 2013, Otokar's sustainability reports have been prepared annually in accordance with the GRI Standards. The report, in alignment with GRI reporting principles, is shaped around our material sustainability topics. In addition to utilizing LSEG and SASB performance criteria, the report also provides information about our contribution to the UN SDGs.



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**“We view environmental responsibility as an essential component of our strategy and business, and we take tangible steps in the areas of energy efficiency, renewable energy investments and water resource conservation.”**

## GENERAL MANAGER'S MESSAGE

### Dear Stakeholders,

As the leading automotive and defense industry company in our country, we continued our sustainability efforts in 2024 with a focus on business, people, communities and the planet, in line with Koç Group's "Lead. Together" approach. We continue to move forward, guided by the principles of our Group for reliability, respect and continuous improvement.

The year 2024 presented considerable challenges: inflation outpaced exchange rate adjustments, financing and borrowing costs rose, and liquidity contracted in both global and local markets, all while geopolitical conflicts around the world disrupted commercial activity. Despite these headwinds, we achieved TL 33.9 billion in revenue and sold 5,394 units within the frame of our sustainable growth targets. Our exports totaled USD 619 million, accounting for 64% of our total revenue. We maintained our leadership in the Turkish bus market for the 16th consecutive year, became the export champion in the land vehicles category of the Turkish defense industry and ranked as the fourth largest bus manufacturer in Europe. With the opening of Otokar Europe's branch office in Germany, we further strengthened our customer and service network across the continent.

In a strategic move to broaden our product portfolio, we entered the pickup truck segment. Building on our successful partnership with Foton in the truck

category, we extended this collaboration to the pickup market with the introduction of the Tunland model.

In 2024, we achieved another milestone in our defense industry export performance. We were recognized as Türkiye's largest exporter in the land vehicles product group by the Defense and Aerospace Industry Exporters' Association (SSI). Exports accounted for 88% of our defense industry revenues, and we expanded our global footprint with military vehicle deliveries to six countries. The most notable achievement among these was Türkiye's largest-ever single-item export contract for armored vehicles, signed with the Romanian Ministry of Defense. This strategic agreement, which includes the local production of Cobra II vehicles in Romania, once again demonstrated Otokar's engineering and technological capabilities together with its export vision on a global scale.

In the field of R&D and innovation, we developed and launched our electric and hydrogen fuel cell buses to the market. In line with our target market European Union's ambitions to reduce carbon emissions by 55% by 2030 and achieve carbon neutrality by 2050, we made significant progress toward our goal of "offering at least on alternative-fuel version in all passenger transportation product family segments by 2028."

We also expanded the light truck family within our logistics product group by introducing new 11-ton and





15-ton models, while launching our fully electric e-Atlas model to the market.

In the defence industry, we continued to deliver innovative solutions through our engineering capabilities, robust production infrastructure and accumulated expertise. In 2024, we implemented enhancements to our Ural 4x4, Arma 6x6, and Arma II 8x8 vehicles that provide strategic advantages to allied and partner forces. Alpar, which we designed as a medium-class unmanned ground vehicle with a series hybrid electric drive infrastructure, gained full autonomous driving capability through GPS and camera support systems.

We consider employee satisfaction as a cornerstone of our long-term success. In 2024, we increased our employee engagement score as a result of activities carried out in this field and earned the Great Place to Work certificate.

We are committed to contributing not only to the development of our industry but also to the advancement of our country by cultivating the skilled workforce of tomorrow. In line with this objective, we provided internship opportunities to over 330 high school and university students in 2024. By directly involving young people in our production processes, we supported their professional development and helped prepare them for the workforce. We also hired several graduates of our Vocational School Internship Program, welcoming them as teammates who will help shape our future together. We developed programs to encourage reverse brain drain.

We view environmental responsibility as an essential component of our strategy and business. As an active participant in Koç Holding's Carbon Transition Program, which aims to achieve carbon neutrality by 2050, we remain committed to monitoring our environmental impact and to our activities. Within this scope, we took tangible steps in the areas of energy efficiency, renewable energy investments and water resource conservation in 2024. Following the positive results of the 12.6 kWh pilot solar power plant installed at our domestic wastewater treatment facility in 2022, we commissioned an 800 kWh solar power plant at our factory in early 2023. This plant generated 3,646 GJ of energy in 2024. Additionally, through the implementation of various energy efficiency projects at our Arifiye plant, we achieved energy savings totaling 10,674 GJ.

As part of our efforts to promote water conservation, we launched a rainwater harvesting project in 2022 to increase the use of recycled water in production. By retrofitting the rooftops of two buildings with rainwater collection systems, we were able to reuse approximately 160,000 m<sup>3</sup> of water in production processes in 2024 following treatment and recovery. Moreover, we saved an additional 3,000 m<sup>3</sup> of water through efficiency projects.

As part of our activities for the communities, we place great importance on developing a workforce that is proficient in current and future technologies to support our country's advancement in the field of technology. In this context, we launched the "Stronger Future with Otokar" project to enhance young people's competencies

in science and technology. As the first step of the project, we established an Electric Vehicles Workshop at the Sakarya Chamber of Commerce and Industry Motor Vehicle Technology Vocational and Technical Anatolian High School, offering students internship and scholarship opportunities. Our goal is to enable these young individuals to gain valuable experience in electric vehicle technologies.

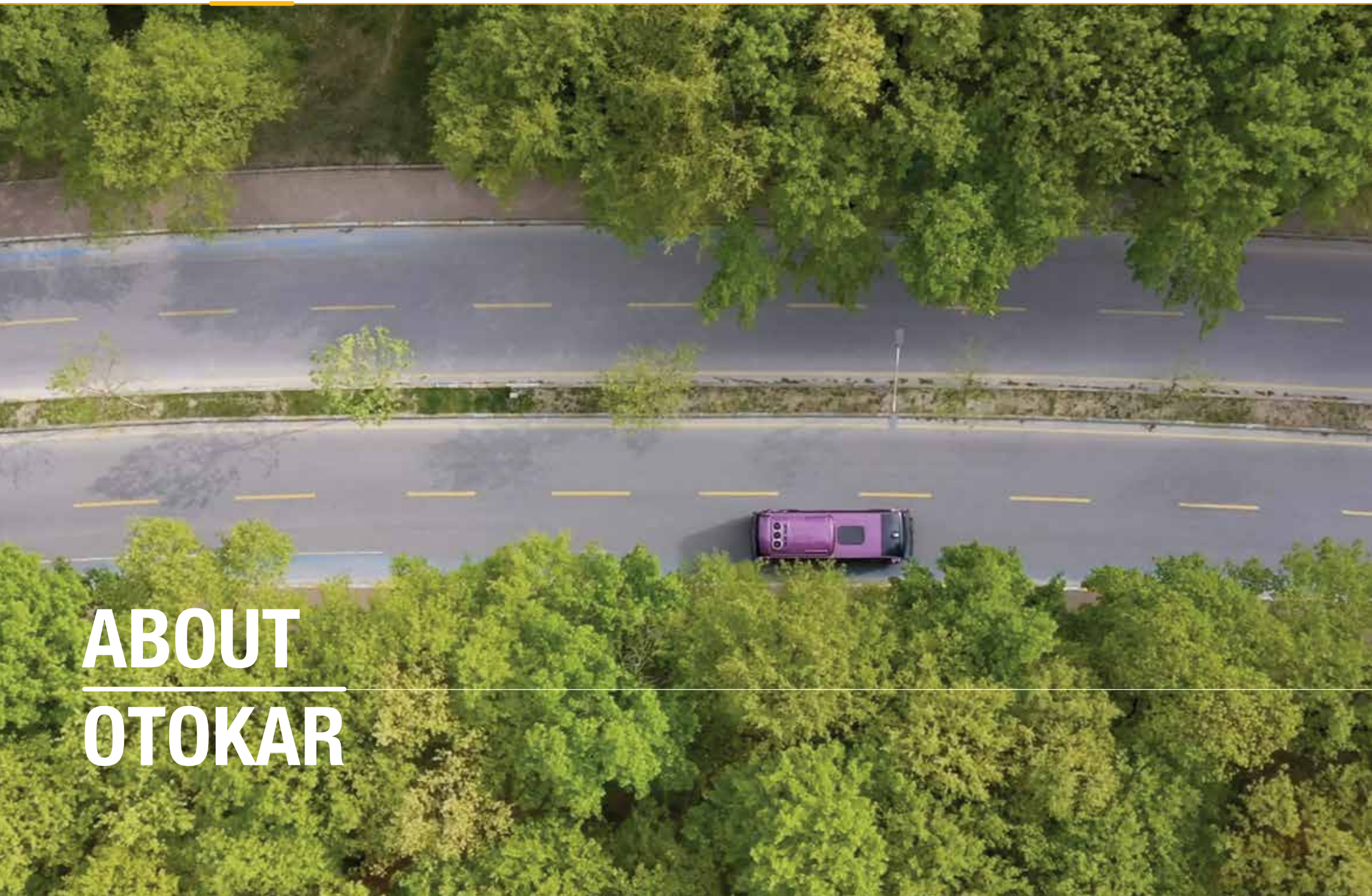
During a period shaped by challenges, we continued to integrate our sustainability efforts across all business processes. The achievements we attained in 2024 are a result of our commitment to our strategy and our determination to succeed together. Our innovative products, growing export capabilities and consistent approach to environmental and social areas are clear indicators that we are progressing steadily toward our goals. I would like to extend my sincere thanks to all my colleagues whose dedication and efforts have created lasting value and to our stakeholders for their continued trust and support. With the same determination and commitment, we will continue to take bold steps to shape Otokar's future.

Sincerely,

Ibrahim Aykut Özüner  
General Manager



# ABOUT OTOKAR







## AN OVERVIEW OF OTOKAR

Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi (“Otokar”) was established in 1963, at a time when industrialization and modernization initiatives were being launched in Türkiye, to produce the first intercity buses of the country. The company, which started its operations with bus and minibus production, joined the Koç Group in 1976 when it decided to specialize in other business areas in addition to public transportation vehicles.

As the production of buses and minibuses continued, Otokar also began manufacturing vehicles for defense industry in 1987 and produced Türkiye's first tactical wheeled armored vehicle in the 1990s. Today, Otokar offers buses, light trucks and pickup trucks in the commercial vehicles segment and a variety of tactical wheeled and tracked armored vehicles and turret systems for the defense industry. As Türkiye's largest exporter of land vehicles, Otokar maintains its strong position in the industry.

Otokar, a Koç Group company, manufactures at its Arifiye (Sakarya) plant, offering solutions tailored to customer needs

with its technologies, designs and applications. Otokar's broad product lines are actively used in more than 75 countries including Türkiye.

Otokar has established subsidiaries in five countries – France, Italy, Romania, United Arab Emirates, Kazakhstan – to be closer to its clients and swiftly respond to their needs and expectations.

In the commercial vehicles segment, Otokar maintains its title as the bestselling bus brand in Türkiye with a broad product offering that includes buses ranging from 6 meters to 21 meters for passenger transportation. Additionally, Otokar Atlas light trucks with payloads from 9 tons to 15 tons for the logistics sector are manufactured under license in Türkiye.

In 2024, Otokar expanded its commercial vehicle portfolio of buses and light trucks with the pickup truck segment. Building on its successful collaboration with Foton, a leading global manufacturer of commercial vehicles, Otokar launched the Tunland pickup truck onto the domestic market.

# 75+

## countries



## Otokar has been listed in the BIST Sustainability Index since 2014

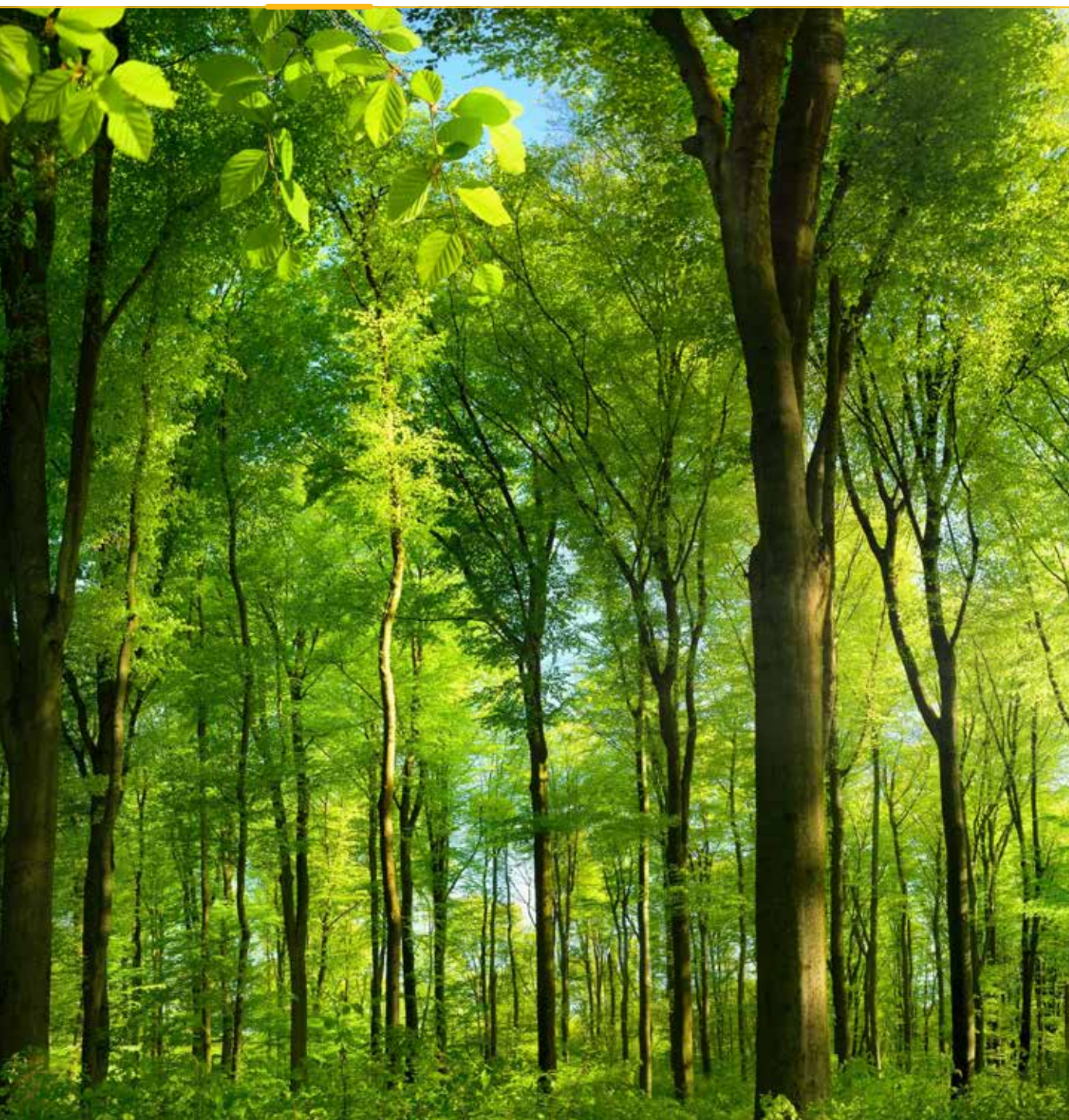
Otokar markets its broad commercial product range in Türkiye and more than 60 countries across the world.

In the defense industry, Otokar has introduced numerous firsts to its name since its inception, engaging in R&D activities in world standards. Otokar comes to the forefront in land vehicles for the defense industry with its expertise in the design, development and system integration of all kinds of vehicles and platforms as well as turret systems. The company manufactures tactical wheeled and tracked armored vehicles and turret systems with owned intellectual property rights, and exports defense industry products to more than 40 countries. World-class knowhow in the defense industry and engineering, R&D and technology transfer capabilities distinguish Otokar among its peers.

Otokar actively participates in Koç Holding's Carbon Transition Program aiming for carbon neutrality by 2050. The company, which started generating electricity from photovoltaic panels installed at its Sakarya plant, continued its investment in building a solar power plant in 2024.

As a result of its sustainability-focused activities, Otokar has been listed in the BIST Sustainability Index for ten consecutive years based on Borsa Istanbul's Index Selection Criteria. Otokar is also included in the Environmental, Social and Governance assessment of LSEG (London Stock Exchange Group), a leading global financial infrastructure and data provider.





## Mission

Otokar's primary mission is to design, manufacture and market commercial vehicles and various defense industry products with global competitive strength, all developed to meet customer expectations.

## Vision

Otokar's vision is to preserve the local and national identity of its products by developing technologies in-house and to ensure the continued satisfaction of its clients, employees and shareholders with total excellence philosophy.

## Values

Otokar, empowered by its employees, strives to ensure customer satisfaction and sound growth by delivering products and services of universal quality and standards in line with the objectives and principles set by the Koç Group. We are committed to being a symbol of trust, continuity and esteem for our country, customers, shareholders, dealers and suppliers.

Otokar always aspires to be "the best" in its efforts to serve its customers and sees its human resource as its most important asset. Otokar aims to contribute to the Turkish economy as its driving force and always upholds its superior business ethics and working principles as it works to create resources for continuous development.





## Fields Of Operation Commercial Vehicles

Otokar develops and manufactures the widest bus portfolio in Türkiye, including public, intercity and tourism transportation buses ranging from 6 meters to 21 meters in length with varying passenger capacities. In 2024, we maintained our leadership in the bus market for the 16<sup>th</sup> consecutive year, with one out of every three buses sold in Türkiye bearing the Otokar brand. We also ranked among the top four bus manufacturers in Europe. We export to more than 60 countries, primarily to Europe. Our alternative fuel vehicle range includes electric, CNG, hybrid, and hydrogen fuel cell versions. In the light trucks segment, we manufacture 9-ton to 15-ton Otokar Atlas under license. Most recently, we entered the pickup truck segment with the launch of Foton Tunland G7.

### PRODUCTS

#### Buses

- Centro, e-Centro, Autonomous e-Centro, Sultan/Navigo (Sultan Giga, Sultan Mega, Sultan Comfort, Navigo U, Navigo T, Agilo C)
- Doruk T
- Ulyso T
- Kent (Kent LF, Kent CNG, Kent U, Kent C, Kent Hybrid, e-Kent, Kent Hydrogen), Kent Articulated (Kent Articulated, Kent Articulated CNG, e-Kent Articulated), Kent XL
- Territo (Territo, Territo CNG, e-Territo)

#### Light Trucks

- Otokar Atlas 9, Otokar Atlas 11, Otokar Atlas 15

#### Pickup Trucks

- Foton Tunland G7







## Fields Of Operation Defense Industry

As Türkiye's leading defense industry company, Otokar has been a long-standing supplier of NATO and United Nations, with over 33 thousand military vehicles currently in the inventories of more than 70 clients, including the Turkish army and security forces, in 40+ friendly and allied countries on five continents. Products are manufactured to order, depending on the intended purpose, capacity and protection levels. Exports of all armored vehicles are subject to requirements of related governments' export license regulations.

### PRODUCTS

#### Tactical Wheeled Vehicles

- 4x4 Tactical Wheeled Armored Vehicles (Ural, Akrep II, Cobra, Cobra II, Cobra II MRAP, Kaya, Armored Internal Security Vehicle)
- 6x6 Tactical Wheeled Armored Vehicles (Arma 6x6)
- 8x8 Tactical Wheeled Armored Vehicles (Arma 8x8, Arma II 8x8)

#### Tracked Armored Vehicles

- Tracked Armored Vehicles (Tulpar, Tulpar S)

#### Unmanned Robotic Vehicles

- Alpar

#### Turret Systems

- Mızrak UKSS, Keskin UKSS, Open Turrets, Internal Security Turret, Üçok, Başok





## Otokar In Figures Main Indicators

**3,772**  
EMPLOYEES

**552,000 m<sup>2</sup>**  
PRODUCTION AREA

**300+**  
SALES AND AFTERSALES NETWORK

2024 EXPORT REVENUES  
**USD 619 MILLION**

2024 REVENUES  
**TL 33.9 BILLION**

RATIO OF R&D SPENDING  
TO TOTAL REVENUES IN  
2024

**5%**

SHARE OF OTOKAR-  
DESIGNED VEHICLE  
SALES IN REVENUES

**71%**

CAPACITY  
UTILIZATION  
RATE

**51%**

CORPORATE GOVERNANCE RATING

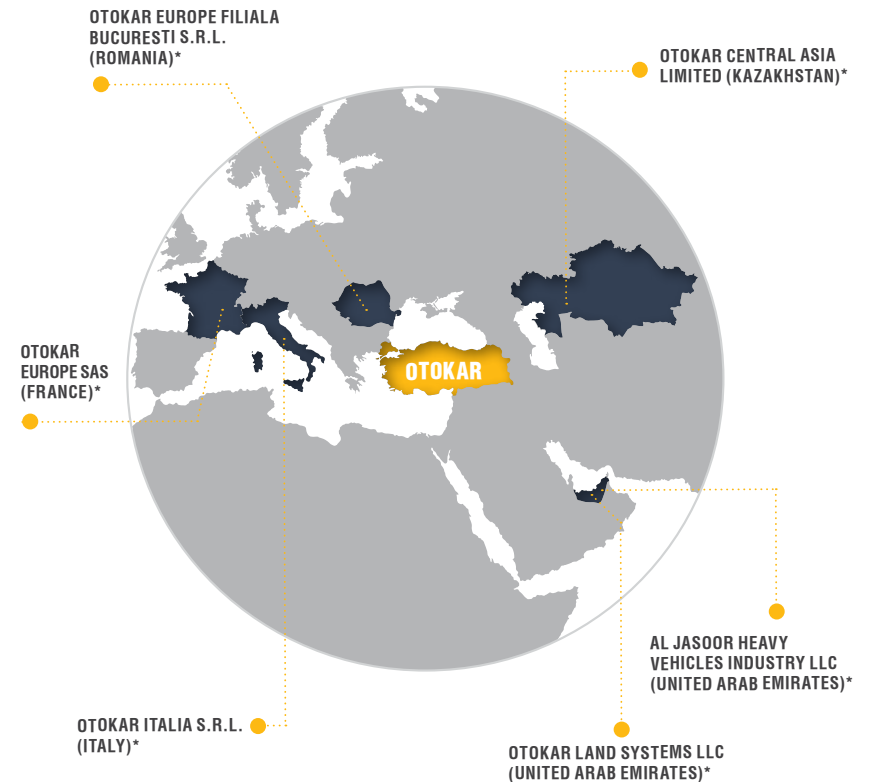
**9.60**

### PRODUCTION CAPACITY



- 6,000**  
BUSES/MINIBUSES
- 1,500**  
TRUCKS/LIGHT TRUCKS
- 2,000**  
TACTICAL VEHICLES
- 950**  
TACTICAL ARMORED VEHICLES

### OTOKAR WORLDWIDE



\* Affiliates and Subsidiaries





## Otokar In Figures Sales

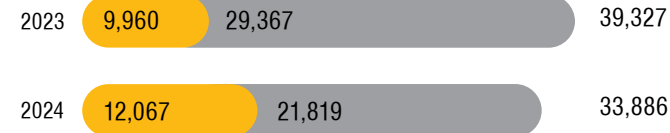
### SALES

Units



### SALES

TL million ■ Domestic Sales ■ Exports



### EXPORTS

USD million



PRODUCTION AND SALES	2023		2024	
	Production	Sales	Production	Sales
Microbuses	225	195	149	169
Small Buses	1,670	1,718	1,944	1,821
Buses	1,899	1,937	1,597	1,643
Light Trucks	912	996	1,365	1,262
Pickup Trucks	-	-	-	298
Military Vehicles	312	305	320	201
<b>TOTAL</b>	<b>5,018</b>	<b>5,151</b>	<b>5,375</b>	<b>5,394</b>



## Otokar In Figures Financial Indicators

### Consolidate Balance Sheet

TL million	2023	2024
Total Current Assets	34,793	30,305
Non-Current Assets	12,108	14,062
<b>Total Assets</b>	<b>46,901</b>	<b>44,367</b>
Total Non-Current Liabilities	30,187	23,279
Total Liabilities	4,726	12,899
Total Equity	11,988	8,188
<b>Total Liabilities and Equity</b>	<b>46,901</b>	<b>44,367</b>

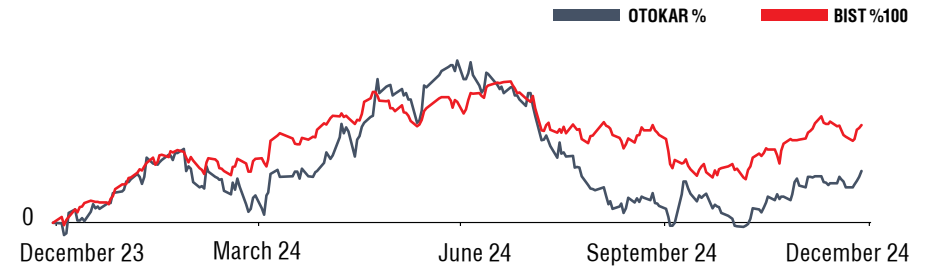
### Consolidated Income Statement

TL million	2023	2024
Sales	39,327	33,886
Cost of Goods Sold	(30,221)	(28,367)
Gross Profit	9,106	5,519
Operating Profit/Loss	3,598	(702)
Profit/Loss Before Tax	2,105	(2,988)
Tax Income/Expense	736	(116)
Profit/Loss for the Period	2,841	(3,104)
<b>Earnings Per Share (kr)</b>	<b>35,275</b>	<b>(25,870)</b>

KEY RATIOS	2023	2024
Gross Profit Margin (%)	23.2	16.3
Operating Margin (%)	9.1	-2.1
Pre-Tax Profit Margin (%)	5.4	-8.8
EBITDA Margin (%)	6.1	-2.3
Net Profit Margin (%)	7.2	-9.2

### STOCK PERFORMANCE

Otokar Otomotiv ve Savunma Sanayi A.Ş. shares have been traded on Borsa Istanbul since April 24, 1995 with ticker symbol OTKAR. In 2024, BIST 100 rose by 31.60%, while Otokar shares were traded at lowest TL 401.18 and highest TL 659.00, seeing 15.45% increase throughout the year.



### CREDIT RATING

In 2024, JCR Avrasya Derecelendirme A.Ş. (JCR Eurasia Rating) evaluated the credit ratings and outlooks of Otokar and affirmed the company's Long-Term National Rating as "A+(Tr)" and outlook as "Stable," Short-Term National Rating as "J1(Tr)" and outlook as "Stable," and Long-Term International Rating (local and foreign currency rating) as "BB" and outlook as "Stable."





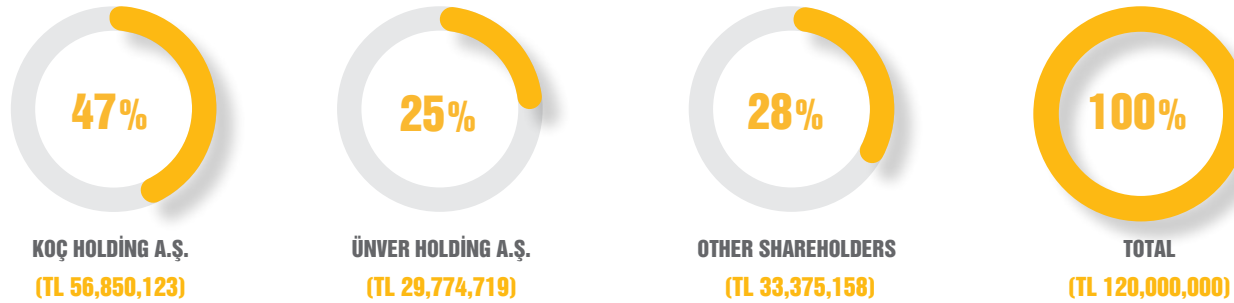
## Otokar In Figures Capital And Shareholding Structure

As of December 31, 2024, Otokar's registered capital ceiling is TL 100,000,000 and issued capital TL 120,000,000

Otokar's parent company, Koç Holding A.Ş., is controlled by Koç Family and companies owned by Koç Family, while the

shareholder, Ünver Holding A.Ş., is controlled by Ünver Family. The remaining 27.81% of the company's capital, corresponding to a nominal value of TL 33,375,158, consists of other shareholders' and free float shares.

### SHAREHOLDERS HOLDING MORE THAN 10% STAKE IN OTOKAR'S CAPITAL



*Note: The shares with a nominal value of TL 3,236,373.73, previously held by Temel Ticaret ve Yatırım A.Ş. and corresponding to approximately 2.70% of Otokar's capital, were acquired by Koç Holding A.Ş. on May 3, 2024. As a result, the rate of shares indirectly held by Family Danışmanlık Gayrimenkul ve Ticaret A.Ş. in Otokar's capital rose from 19.65% to 20.83%. The transaction was registered with the Istanbul Trade Registry pursuant to Article 198 of the Turkish Commercial Code.*

### SUBSIDIARIES AND JOINT VENTURES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2024

Subsidiaries	Country	Main Field of Operation	Industry
Otokar Europe SAS	France	Sales and Marketing	Automotive
Otokar Land Systems Limited	United Arab Emirates	Sales and Marketing	Automotive and Defense
Otokar Europe Filiala Bucuresti S.R.L.	Romania	Sales and Marketing	Automotive
Otokar Central Asia Limited	Kazakhstan	Sales and Marketing	Automotive and Defense
Otokar Italia S.R.L.	Italy	Sales and Marketing	Automotive
Joint Ventures	Country	Main Field of Operation	Industry
Al Jasoor Heavy Vehicles Industry	United Arab Emirates	Sales and Marketing	Automotive and Defense

*Note: Otokar opened a branch office in Romania to support the company's business in the country. The relevant material disclosure was published on the Public Disclosure Platform on October 4, 2024. In 2023, Otokar Europe SAS opened a branch office in Germany.*





## About Koç Holding A.ş.

### Türkiye's Leader, Global Player

Koç Holding, the majority shareholder of Otokar, with its almost a century-long journey since 1926, has differentiated itself from competitors by achieving numerous breakthroughs in Türkiye, from industrialization to globalization, playing key roles with its leading positions. The Koç Group established Türkiye's first joint stock company, created the Republic's first industrial endeavor and first international partnership, and made the first public offering.

Koç Group is Türkiye's leading group of companies in terms of combined revenues and exports, market capitalization on Borsa Istanbul, and number of employees. The Group has been a driving force of the Turkish economy with total revenues corresponding to nearly 8% of Türkiye's GDP and exports comprising around 7% of Türkiye's total exports.

With investments amounting to USD 11.2 billion in the last five years, Koç Holding is the only Turkish company in Fortune Global 500. Koç Holding has leading positions with strong competitive advantages in energy, automotive, consumer durables and finance sectors, which offer strong long-term growth potential.

The Koç Group manages activities according to international standards of corporate governance, customer satisfaction, sustainability and social responsibility.

Today, as Türkiye's largest group of companies, the Koç Group remains committed to creating value for all its shareholders.

### KOÇ HOLDING AND KOÇ GROUP IN FIGURES

#### Group Operations Energy, Automotive, Consumer Durables, Finance and Others

~7%

Revenues / Türkiye's GDP<sup>1</sup>

~30%

Export Revenues / Total Revenues

~130,000 employees

Türkiye's Largest Employer

~7%

Exports / Türkiye's Exports<sup>1</sup>

155

Number of Export Markets

**R&D Investments in 2024:**  
**TL 21.6 billion**

Türkiye's Largest Intellectual Property Portfolio

- > 8,600 brands
- > 2,800 patent families
- > 5,700 patents
- > 1,000 industrial designs
- > 6,500 internet domain names

~19%

Total Market Cap in BIST 100 Index<sup>2</sup>

>130

International Manufacturing Sites and Sales/Marketing Companies

**The Koç Group, whose objective is to increase the value created for all its stakeholders, continues its journey that started nearly a century ago, within the framework of its long-term value creation target and global growth vision.**

(1) Based on Turkish Statistical Institute's 2024 data

(2) Based on Borsa Istanbul's data as of 31 December 2024





# CORPORATE GOVERNANCE

At Otokar, we act with utmost diligence to comply with the Corporate Governance Principles, published by the Capital Markets Board (CMB). The activities related to Corporate Governance in 2024 were executed in compliance with the Capital Markets Law, which includes CMB regulations on corporate governance principles and the communiqués published pursuant to this Law. At the 2024 Ordinary General Assembly meeting, the Board of Directors and its Committees were formed in accordance with the provisions of the Corporate Governance Communiqué. Ahead of the upcoming general assembly meeting, independent Board members were nominated and announced, and the entire process was executed in line with the regulations.

The General Assembly Information Note and documents providing details of privileged shares, voting rights and organizational changes, as well as the résumés of Board of Directors candidates, the Remuneration Policy for Board Members and Senior Management and other information required to be disclosed were all made available for the investors three weeks prior to the general assembly meeting. Furthermore, we review our corporate website and annual report and make the necessary revisions to comply with the principles.

Meeting statutory obligations such as holding the General Assembly meetings in accordance with applicable regulations, articles of

association and company bylaws and preparing Annual Reports and other documents for the shareholders to benefit are the responsibility of the Investor Relations Department. The General Assembly Meeting held in 2024, call to meeting and meeting minutes were carried out in compliance with applicable regulations, articles of association and other relevant company bylaws.

## Shareholders, Privileged Shares and Protection of Minority Rights

There are no privileges in the company's Articles of Association pertaining to the exercise of voting rights. Each share in the nominal value of Kr 1 has one vote. We act diligently to ensure regulatory compliance to satisfy investors' demands. In 2024, no complaints or administrative or legal pursuit of exercising shareholders' rights in the company have been filed to the best of our knowledge.

Minority rights for shareholders holding less than one twentieth of the capital have not been defined in the Articles of Association, however these rights have been defined and exercised within the frame of general provisions in the legislation.

## Investor Relations Department

Relations between Otokar and shareholders are managed by the Investor Relations Department, which cooperates with relevant divisions for this purpose. The department is responsible

for providing the shareholders and potential investors with information, except for confidential information and trade secrets, in a manner not to lead to information disparities, and for establishing two-way communication between the company executives and shareholders.

In 2024, the Investor Relations Department held 11 online and four physical meetings and 52 conference calls, meeting with current and potential investors and updating the shareholders on the latest developments. To ensure this, the corporate website, investor presentations and investor newsletters have been regularly updated.

The Investor Relations Department is tasked with meeting all legally required public disclosure obligations such as announcing material event disclosures. In 2024, the Department announced 64 material event disclosures; those that particularly concerned the investors were published on the Public Disclosure Platform (KAP) and concurrently on the corporate website along with their English translations. Information pertaining to the last five years is available on the corporate website in Turkish and English languages. Last year numerous requests for information were submitted to the Investor Relations Department by analysts and investors regarding the company's financial reports and activities, and these were replied to the extent of publicly available information in a manner to avoid information disparities.

## Investor Relations Department Executives\*

- **Başak Tekin Özden**  
Assistant General Manager -Finance
- **Ayça Çağla Sahillioğlu**  
Strategy, Financial Control, and Investor Relations Group Director
- **Hatice Gülşah Mutlu**  
Investor Relations and Corporate Governance Leader

\* Due to changes in responsibilities, the individuals in charge as of January 1, 2025 are indicated.



## Board Composition

A Board of Directors formed by minimum five (5) members, elected by the General Assembly, manages our company. In addition to electing the Board members, the General Assembly also determines the number of members to serve on the Board. Without prejudice to the requirements imposed by the Capital Markets Board's Corporate Governance Principles for independent directors, the General Assembly has the right to replace Board members at any time - if needed - per Article 364 of the Turkish Commercial Code. Board members may be reelected to their roles for another term.

Separate individuals perform the duties of the Board Chair, who does not assume an executive role, and the General Manager. Board members are encouraged to allocate the time required to fulfil their obligations toward the company, while there are no rules restricting them from assuming external duties. Considering that independent directors, in particular, may contribute significantly to the Board with their business experience and industry knowledge, no such restrictions have been deemed necessary. The résumé of each Board member and their external duties are made available for the shareholders to view prior to the annual General Assembly meeting.

According to the Board Diversity Policy approved in 2021, Otokar aims to raise female membership ratio in the Board of Directors to 25% in the next five years. As of year-end 2024, the female membership ratio in the Board stands at 22%.

## Otokar Board of Directors in 2024

Full Name	Title	Independence	First Elected to BoD	Term	Committee Assignments	External Assignments
Yıldırım Ali KOÇ	Chairman	Not independent	26.03.2015	1 Year		Vice Chairman - Koç Holding A.Ş., Chairman, Board Member and Committee Member at multiple Koç Group Companies
Selin Ayla ÜNVER	Vice Chair	Not independent	22.10.2018	1 Year		Ünver Holding A.Ş. Chairwoman
Levent ÇAKIROĞLU	Member	Not independent	26.03.2015	1 Year	Corporate Governance Committee – Member	CEO and Board Member - Koç Holding A.Ş., Chairman, Board Member and Committee Member at multiple Koç Group Companies
Haydar YENİGÜN	Member	Not independent	21.03.2022	1 Year	Risk Management Committee	Board Member and Committee Member at multiple Koç Group Companies
İsmail Cenk ÇİMEN	Member	Not independent	18.03.2019	1 Year		Board Member and Committee Member
Ahmet Serdar GÖRGÜÇ	Member*	Not independent	20.04.2006	1 Year		
Ali İhsan İLKBAHAR	Member	Independent	16.03.2020	1 Year	Corporate Governance Committee - Chair	
Fatma Füsün AKKAL BOZOK	Member	Independent	27.03.2024	1 Year	Risk Management Committee – Chair, Audit Committee - Member	Board Member at Koç Group Companies and other companies
Kamil Ömer BOZER	Member	Independent	27.03.2024	1 Year	Audit Committee – Chair	Board Member at Koç Group Companies and other companies

\* General Manager Ahmet Serdar Görgüç retired on March 31, 2024, while he continued to serve as a member on the Board of Directors until the end of his term.





### The Board of Directors' Operating Principles

The powers and responsibilities vested in the members of the Board of Directors are specified in the Articles of Association. Distribution of duties among Board members and their duties and powers are explained in detail in the annual reports.

The subjects or agenda of the Board of Directors' resolutions are determined according to the matters, for which the company's Articles of Association explicitly require a Board of Directors resolution, or the issues that arise as reported to the company's Senior Management and Board members by the relevant departments.

The Board of Directors convenes as company business requires in accordance with the provisions for call to

meeting and attendance to address critical and strategic matters and discuss the company's position and activities. Although there is no dedicated secretariat established to facilitate communication between Board members, relevant tasks such as preparing the meeting agenda, recording the resolutions and following them through are performed by the relevant officers in coordination with the Assistant General Manager – Finance.

In accordance with the Turkish Commercial Code and the relevant articles under the company's Articles of Association, the Board of Directors convenes physically when the company business calls for a meeting, and when necessary, resolutions can also be reached by circulating them per article 390, paragraph 4 of the Turkish Commercial Code. In 2024, the Board of Directors passed

28 resolutions. Furthermore, the Board convened three times with all members in attendance to address strategic matters and discuss the company's position and activities.

### Remuneration Policy for Senior Executives and Members of the Board of Directors

Pursuant to the Turkish Commercial Code and Article 13 under Articles of Association of Otokar Otomotiv ve Savunma Sanayi A.Ş., a fixed salary is determined every year at the ordinary general assembly meeting for the Board membership functions, applicable to all members of the Board of Directors. The Board members receive payments on a pro rata basis, in consideration of the duration they serve from the date of appointment to the date they leave their positions. Board members with executive responsibilities are paid per the same policy defined for senior executives.

The Board members that serve on other functions to assist in the oversight of the company's activities may be entitled to extra benefits, based on the opinion of the Corporate Governance Committee, in addition to the fixed salaries approved by the General Assembly. The bonus plans based on company performance are not used in the remuneration of the Independent Members of the Board of Directors. The company may cover the expenses (transportation, phone, insurance, etc.) incurred by the Board members during the execution of their duties.

Remuneration of senior executives consists of two parts: fixed salary and performance-based bonuses. Otokar's remuneration policy requires that management of remuneration and benefits should be fair, objective, recognizing high performance, competitive, rewarding



and motivating. Fixed salaries of Senior Executives are determined in accordance with international standards and legal obligations by taking into account macro-economic data in the market, compensation policies prevailing in the market, the size and long-term targets of the company and the positions of the individuals. The objectives of the remuneration policy include improving the motivation and commitment of employees by considering the internal salary balances and competitiveness in the market, and attracting and retaining qualified employees who will ensure that the company's strategic business goals are achieved.

Bonuses for Senior Executives are calculated based on the company's performance and individual performance, in a way that will support the realization and exceeding of the company's business goals, and encourage superior performance by rewarding continued success. The criteria for bonus calculations are summarized below:

- **Bonus Basis:** Bonus bases are updated at the beginning of each year and vary according to the positions of the executives. When updating the bonus bases, bonus policies for senior management in the market are taken into account.
- **Company Performance:** Performance of the company is evaluated at the end of each year by measuring the extent that the financial and operational targets (market share, exports, international operations, productivity, etc.) assigned to the company at the beginning of each year. The targets for the company are determined by mainly considering continued success and improvements compared with the previous years.
- **Individual Performance:** Individual and collective targets set by Senior Executives with their own teams and managers, as well as key performance indicators, are taken into account in evaluating individual performance. In measuring individual performance,

long- term sustainable improvement in non- financial areas, and compliance with Environmental, Social and Corporate Governance (ESG) policies are also considered. Targets, including sustainability goals, are integrated into the Objectives and Key Results (OKR) system and disseminated across the organization.

In the event that Senior Executives leave their positions, they may be entitled to a severance bonus by considering their tenure as senior executives, their contributions, last targeted bonus prior to their departure, and their salaries and bonuses in the last year. Total amounts determined in accordance with the abovementioned principles and paid to Senior Executives and Members of the Board of Directors during the year are presented to the shareholders for informational purposes and/or approval at the next General Assembly Meeting.

For Board membership functions, a fixed salary is determined at the Ordinary General Assembly Meeting each year, therefore their remunerations are not target-based. Senior Executives have one-year targets, including ESG criteria. The General Manager's salary is not dependent on total share value or shareholder profit. Otokar Board members and senior executives are also covered by an Executive Liability Insurance policy.

An agile bonus system and a year-end bonus system are in place to attract and retain executives. Koç Holding shares annual market data on salaries, guiding Otokar's remuneration policy to be updated accordingly. Furthermore, the salary databases of consulting firms are used in the analyses. Successions plans are in place for key positions.

### Preventing Conflicts of Interest within the Board of Directors

Pursuant to CMB's mandatory Corporate Governance Principle 1.3.6, in the event that the shareholders with management control, members of the Board of Directors,

senior executives with administrative authority, and their spouses and blood relatives up to the second degree engage in transactions that may result in a significant conflict of interest due to their affiliations or related partnerships, and/or perform a transaction on their own or others' behalf in an area that has the same commercial business as the parent company or its subsidiaries and affiliates, the said transactions will be presented to the General Assembly under a separate agenda topic and recorded in the minutes of the Ordinary General Assembly.

In order to fulfill the requirements of these regulations, the aforementioned permission will be presented to the shareholders for approval at the General Assembly. Additionally, the shareholders will be advised about the transactions of this nature during the year, and that some of the shareholders, members of the Board of Directors, executives with administrative responsibilities and their spouses, blood relatives up to the second degree, can be engaged in other activities including those with similar activities to the company's, and that they may serve as a Board member or executive at Koç Group or Ünver Group companies. In 2024, there was no materially significant transaction requiring disclosure within the scope of the principle 1.3.6 of the Corporate Governance Communiqué.

Considering that the Board members contribute significantly to the Board with their business experience and industry knowledge, they are not restricted in terms of assuming other duties outside the company. Given the effective functioning of the Board, no changes to the current practice are anticipated in the near future since no negative consequence has been observed in terms of corporate governance. There has been no materially significant transaction that could result in a conflict of interest such as extending loans to the Board members or senior executives or providing collaterals in their favor by the company.





### Benefits Provided to Senior Executives

The total benefits provided by Otokar to Senior Executives in the year ending on December 31, 2024, amounted to TL 375,842 thousand, including TL 220,573 thousand in severance payments (December 31, 2023: TL 207,897 thousand, including TL 32,890 thousand in severance payments). Senior Executives included Board members, General Manager and Deputy General Managers.

### Board Committees

At Otokar, the Board of Directors has formed certain committees to effectively fulfil its duties and responsibilities. These committees carry out their activities in accordance with specified procedures. They reach their decisions after independently working on specific topics and present their findings in the form of proposals to the Board, which then passes a final resolution.

The committees' operating principles and fields of activity are determined by the Board of Directors and publicly disclosed. The heads of the committees are appointed from among the Independent Directors, who also make up all members of the Audit Committee.

**Audit Committee:** The Audit Committee, established pursuant to the Board of Directors' resolution on April 29, 2003, fulfils the duties specified for audit committees in the Capital Markets Legislation. The Board of Directors resolved on April 3, 2024 that the Audit Committee be composed of two (2) independent members, with Kamil Ömer Bozer appointed as chair and Fatma Füsün Akkal Bozok as member.

In 2024, the Audit Committee submitted to the Board of Directors a written report of its views on the selection of the independent auditor, observations about the

functioning and effectiveness of the independent audit and internal control system, its assessments of annual and interim financial statements to be disclosed to the public in terms of their truth, accuracy and compliance with the accounting principles adopted by the company as well as the decisions made during committee meetings held within the year. The Audit Committee convened eight times in 2024.

**Corporate Governance Committee:** The Corporate Governance Committee was established following the Board of Directors resolution on May 25, 2012. The Committee's duties were defined as monitoring the company's compliance with the Corporate Governance Principles, examining the reasons for non-compliance with the Principles, which have yet to be implemented, and proposing improvement actions, evaluating corporate governance practices and the Corporate Governance Compliance Report, and overseeing the work of the Investor Relations Department. The Board of Directors resolved on April 3, 2024 that the Corporate Governance Committee be composed of three members and that the independent Board member Ali İhsan İlkbahar be appointed as the chair, and Levent Çakıroğlu ve Hüseyin Odabaş as members of the committee, which would also serve as the Nomination Committee and the Remuneration Committee in accordance with the Communiqué.

The Corporate Governance Committee reviewed the company's corporate governance practices in 2024 and the Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Note (CGIN), drawn up according to the new reporting formats pursuant to CMB resolution no. 2/49 dated January 10, 2019 and also informed the Board of Directors on the activities of the Investor Relations Department.

## Committees and Members in 2024

Audit Committee	Title	Term Start	Term End
Kamil Ömer Bozer	Chair	27.03.2024	24.03.2025
Fatma Füsün Akkal Bozok	Member	27.03.2024	24.03.2025
Corporate Governance Committee	Title	Term Start	Term End
Ali İhsan İlkbahar	Chair	27.03.2024	24.03.2025
Levent Çakıroğlu	Member	27.03.2024	24.03.2025
Hüseyin Odabaş	Member	27.03.2024	24.03.2025
Risk Management Committee	Title	Term Start	Term End
Fatma Füsün Akkal Bozok	Chair	27.03.2024	24.03.2025
Haydar Yenigün	Member	27.03.2024	24.03.2025

Meeting Attendance Rates (%)	2024
Board Meetings	89
Committee Meetings	100



In 2024, the committee, which also undertakes the duties of the Nomination Committee and Remuneration Committee, worked on various topics within its purview such as determining the Independent Board member nominees and the benefits provided to the Board members and Senior Executives. The Corporate Governance Committee convened six times in 2024.

**Risk Management Committee:** The Board of Directors resolved on July 11, 2012 to establish the Risk Management Committee to work on early detection of risks that could pose a threat to the company's existence, development and continuity, implement the necessary measures to mitigate these risks and to manage them for ensuring compliance with article 378 of the Turkish Commercial Code No. 6102, enacted in July 2012, and effective functioning of the Board committees.

The Board of Directors resolved on April 3, 2024 that the Committee be composed of two members, with the independent Board member Fatma Füsün Akkal Bozok as the chair and Haydar Yenigün as member.

In 2024, the Risk Management Committee submitted its written report to the Board of Directors to communicate its assessment of the Risk Report to be included in the Annual Report and their opinions on the risk factors, as well as the decisions reached in the committee meetings during the year. The committee also reviewed the information systems management activities in 2024 and related Report in accordance with the CMB Communiqué on Information Systems Management VII-128.9 ("Communiqué on IS Management"), which imposes obligations on public companies. The Risk Management Committee convened six times in 2024.

The report presented by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. on February 5, 2025 stated that Otokar's early risk detection system and the Risk Management Committee are adequate in all material aspects within the framework of article 378 of the TCC.

## Board of Directors' Composition (Otokar Türkiye)

### TENURE ON THE COMPANY'S BOARD OF DIRECTORS



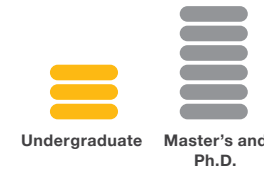
### PROFESSIONAL EXPERIENCE



### CITIZENSHIP / RESIDENCE



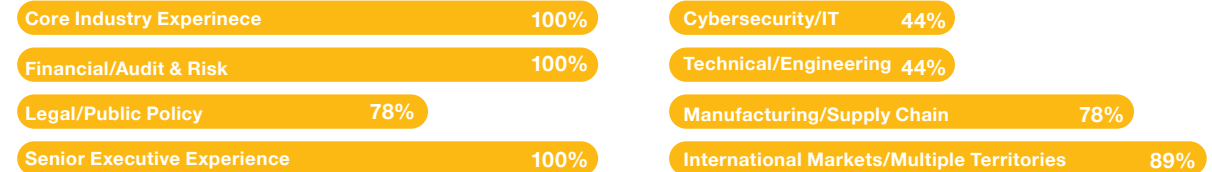
### EDUCATION LEVEL



### PARTICIPATION RATE IN MEETINGS



### SKILLS



### EXECUTIVE ROLES

Executive Roles: 0  
Non-executive Roles: 0

### INDEPENDENCE

Independent members: 3  
Non-independent members: 6

### Members of the Board of Directors by Gender

Scope	Number of Board Members	Female Board Members	Male Board Members	Female Board Member Ratio (%)	Male Board Member Ratio (%)
Türkiye	9	2	7	22	78
Including Subsidiaries	14	3	11	21	79





### Compliance with Corporate Governance Principles

Otokar recognizes the importance of complying with the Corporate Governance Principles regulated by the Capital Markets Board (CMB), and has achieved full compliance with the mandatory principles of the Corporate Governance Communiqué II-17.1, applicable in 2024, as well as compliance with the majority of the non-mandatory principles.

At Otokar, we aim to achieve full compliance with the non-mandatory Corporate Governance Principles and work hard toward this goal. Once the administrative, legal and technical infrastructure that would contribute to the effective governance of the company has been thoroughly reviewed, we will address their implementation. More information on this matter is detailed in the relevant sections of the 2024 Annual Report. Otokar has not been exposed to any conflicts of interest due to non-compliance with the non-mandatory principles.

Mandatory Corporate Governance Principles per CMB	Full Compliance	Partial Compliance	Non-compliance	Exempt	Not Applicable
<b>TOTAL</b>	<b>58</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>5</b>

### Corporate Governance Rating

Otokar has already complied with corporate governance principles to a great extent. As an indication that the company will continue to improve its efforts for further compliance, Otokar's Corporate Governance Rating has been measured by SAHA Kurumsal Yönetim ve Derecelendirme Hizmetleri A.Ş. (SAHA). Based on SAHA's year-on-year measurements, Otokar's Corporate Governance Rating rose to 95.99 (9.60) in 2024 and 96.93 (9.69) in 2025. The Corporate Governance Rating Report is published on [www.otokar.com.tr](http://www.otokar.com.tr).

Corporate Governance Rating 2025	Weight (%)	Score
Shareholders	25	95.92
Public Disclosure and Transparency	25	98.79
Stakeholders	15	99.51
Board of Directors	35	95.22
<b>TOTAL</b>	<b>100</b>	<b>96.93</b>





# RISK MANAGEMENT

## RISK MANAGEMENT SYSTEM

Risk management policy at Otokar is overseen by the General Manager under the supervision of the Board of Directors and carried out in coordination with all executives, spread and supported across all levels of the organization, and implemented in line with the company's strategies with the aim of anticipating and monitoring any potential risks that may prevent the company from reaching its goals, and drawing up action plans to address such risks.

The Risk Management Committee has been established to anticipate and assess any strategic, operational, financial, legal, sustainability and other risks that may jeopardize the company's existence, growth and continuity, calculate the impact and probability of such risks, report and manage these risks according to the company's risk profile, and submit suggestions to the Board of Directors concerning the implementation of the necessary measures against such risks, taking them into consideration in decision-making processes, and establishing and integrating effective internal control mechanisms.

In addition to its own risk policy, Otokar also adheres to Koç Group's risk policies. Potential future risks related to sales, efficiency, revenue generation capabilities, profitability, debt/equity ratio and similar topics are also assessed and managed as part of the Risk Policy.

### Risk Management and Internal Audits

The Board of Directors resolved on July 11, 2012 to establish a Risk Management Committee that would

be tasked with early detection of risks that could pose a threat to the company's existence, development and continuity and implementing necessary mitigation measures to ensure compliance with article 378 of Turkish Commercial Code No. 6102, which entered into force on July 1, 2012, and effective functioning of the Board committees.

The Committee evaluates the principles for the company's risk management system and risk reporting within the organization, examines the periodic risk reports and expresses views on measures deemed necessary to address areas of non-compliance with the limits specified in the risk management system. The Committee also reviews the system and oversees the implementation of the practices in the relevant risk management departments in terms of compliance with its decisions. The Committee's other duties include evaluating the information security procedures, monitoring compliance risks and related activities and assessing the sustainability risks. Reporting activities and the Committee's assessments are recorded as minutes of the meeting and duly presented to the Board of Directors.

Through the internal control system, we aim to maintain objectivity and independence in all transactions, add value to the company and ensure that the company's operations align with relevant strategies and goals. The system is also designed to ensure regulatory compliance, contribute to the realization of the company's key objectives, principles and targets and

In addition to its own risk policy, Otokar also adheres to **Koç Group's risk policies.**

improve effectiveness and productivity. The internal control system is composed of standard descriptions, job definitions, authorization processes, policies and written procedures included in the workflows.

The internal control system is regularly reviewed by the Internal Audit Department for effectiveness. Within the organizational structure, the Internal Audit Department reports administratively to the General Manager and functionally to the Audit Committee to ensure independency of its activities.

Prior to consolidation, the accounting records and financial statements are inspected by the Audit Committee and the Internal Audit Department, and also audited by the independent audit firm Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

The Audit Committee stays up-to-date about the internal control system and internal audit activities through the Internal Audit Department's Otokar Audit Reports. As such, the 2024 report provided detailed information on these topics.





# Key Risks And Opportunities

Otokar monitors its risks under four key categories: financial, strategic, operational and legal.

## Financial Risks

- **Foreign Currency Risk:** The Company's foreign currency positions are monitored daily to avoid risk exposure and to remain within targeted levels. Foreign currency risk is managed using derivative transactions and natural hedges.
- **Liquidity Risk:** Managed by maintaining the ratio of cash and cash equivalents to total short term liabilities at the targeted levels to meet cash demands.
- **Credit Risk:** Managed by restricting average risks for the other party in all agreements, except for those between related parties, and securing collateral when needed.
- **Interest Risk:** The Company seeks to balance fixed/variable interest rates in financing. The company's policies are followed for short-term and long-term borrowing. A policy of utilizing loans with flexible maturities has been implemented.
- **Receivables Risk:** Receivables are followed based on collateral limits. Conformity of debt- receivable days with the anticipated days in the budget is monitored closely.

## Strategic Risks

Strategic risks are structural risks that may prevent the company from reaching its short-, medium- or long-term strategies as a key factor for future readiness. These risks are related to products, customers, competitors, the brand, the market, industry, governance and change management. In strategic risk management, potential risks and opportunities are monitored by considering the budget and strategic plans that serve as indicators of future plans, macroeconomic developments and the market and industry dynamics.

## Operational Risks

Operational risks include losses such as those from business processes with potential impact on key operations, employees and systems, which are affected by internal systems and processes, and external factors. Risk areas such as sales, product development, capacity, information management, technology, brand management, earthquakes and fires are included in this category. Operational risks are monitored and managed by the relevant internal functions. Necessary insurance is secured to cover potential operational risks.

## Legal Risks

At Otokar, we ensure compliance with the legislation and international regulations applicable in all countries where we operate. Legal and compliance risks are monitored by the internal legal team and external legal counsel with expertise in specific areas for compliance with applicable local and international laws, regulations and standards. The compliance program addresses key risk areas, including competition law, data privacy, human rights, laundering proceeds of crime, international sanctions, and anti-bribery. To anticipate and prevent such risks, compliance risks are analyzed, third-party checks are conducted, and sanctions lists are monitored. The risk groups identified through compliance programs take the necessary basic training to reach a certain level of awareness and to avoid risks and also consult with expert legal counsel when in doubt. Additionally, the Koç Group Ethics Line is accessible to all employees and stakeholders, enabling anonymous reporting and ensuring protection against retaliation.

## Climate-Related Risks

Starting from 2025, the Risk Management Committee has also included climate-related risks and opportunities in its work. More information is detailed in the Otokar 2024 TSRS-Compliant Sustainability Report.





# SUSTAINABILITY AT OTOKAR

## Otokar's Sustainability Approach

Operating in two diverse industries, Otokar recognizes that each comes with distinct stakeholder expectations and material issues. While this diversity brings richness, it also requires meticulous planning and management of sustainability strategies and practices.

As we focus on the shared material topics of these industries, we adopt a flexible approach that enables processes to be structured in accordance with the respective business models. In doing so, we are inspired by global best practices and guided by Koç Holding. As we create value for our stakeholders, we strive to uphold our ethical values in all processes, listen to the opinions and suggestions of all our stakeholders, starting with our employees, suppliers, business partners and customers, and respect people and the environment.

Our sustainability approach extends beyond our own operations to encompass the entire value chain and deliver exemplary performance. In line with this vision, we have disclosed our economic, social and environmental performance transparently through our reports complying with GRI standards since 2013. As a result of our sustainability efforts, we have also been listed in the BIST Sustainability Index since 2014.

## Koç Holding's Sustainability Approach

Creating long-term, sustainable value for the world and countries in which it operates lies at the heart of Koç Group's business model. Its legacy, influence and leadership role offer a variety of opportunities in sustainability. Sustainability activities at Koç Holding are guided by the "Lead. Together" partnership strategy, approved by the Board of Directors and disclosed publicly. Enabled by talents, expansive networks, technology and innovation, the main pillars of this strategy are business, people, the planet and communities.

### Grow the business. Together

Sustainable and profitable growth for competition at a global level

### Empower people. Together

Inclusive approach embracing diversity and engaging employees with skills and knowledge for the future

## LEAD. TOGETHER

"Lead. Together" is the sustainable and profitable growth strategy of Koç Holding.

### Act for the planet. Together

Innovative solutions to address global challenges

### Strengthen communities. Together

Collaborations and partnerships for joint targets





# Sustainability Management

The Board of Directors is the governing body responsible for setting the strategic direction for Otokar's social, economic and environmental issues. As with all other areas of operation, sustainability strategy and direction is also determined by the Board of Directors, which oversees the senior management's sustainability performance.

The Corporate Governance Committee reviews the Sustainability Principles Compliance Report, prepared annually according to the formats specified by the CMB, and then submits it to the Board of Directors for approval. Moreover, the Risk Management Committee, which convenes six times a year, monitors the risks and opportunities related to sustainability and climate. This committee addresses the sustainability and climate risks with a systematic approach.

The Board of Directors' and relevant committee members' competencies about climate and sustainability issues are assessed annually. This assessment is based on training, past experiences and national/international participation. External consultancy and guidance sources are used when necessary. Additionally, Otokar's publicly available Board of Directors Diversity Policy promotes the principle of inclusion and balanced representation in management structures.

## Sustainability Committee

At the executive level, the Sustainability Committee, headed by the General Manager, coordinates sustainability efforts. The committee is responsible for developing, implementing and monitoring sustainability strategies. It also identifies material sustainability topics, reviews and approves annual targets and monitors performance indicators. The committee plays an active role in monitoring greenhouse gas emission reduction

efforts, evaluating sustainable finance opportunities and following relevant regulation.

The Sustainability Committee convenes regularly at least twice a year or more frequently if significant developments require a meeting to make the necessary assessments. Meeting agendas are shaped around working group analyses, stakeholder feedback and legislative developments. The committee reaches decisions by majority vote and consults experts when needed. Developments and decisions are reported to the Board of Directors through the General Manager.

The Sustainability Committee consists of 13 members: General Manager as the chair, and Assistant General Manager - Commercial Vehicles, Assistant General Manager - Operations, Assistant General Manager - Military Vehicles, Assistant General Manager - Finance, Strategy and Process Development Group Director, Commercial Vehicles Engineering Group Director, Bus Marketing and Sales Group Director, Finance, Risk Management and Investor Relations Director, People, Culture and Transformation Leader, Purchasing Director, Systems and Production Engineering Director, and Corporate Communications and Sustainability Director.

Thematic sustainability working groups coordinated by the Corporate Communications and Sustainability Directorate monitor progress toward sustainability targets and regularly submit reports to the Sustainability Committee about their activities, evaluations and analyses. The Directorate's responsibilities include internal communication as well as ensuring that the sustainability strategy is embedded into all company functions, managing sustainability-based interactions with external stakeholders and coordinating processes related to measuring and reporting sustainability performance.

## Otokar Sustainability Committee's Duties and Responsibilities

- Developing, implementing and monitoring sustainability strategies.
- Setting annual sustainability targets and evaluating performance indicators.
- Working on reducing greenhouse gas emissions, leveraging sustainable finance opportunities and following legislation.
- Forming thematic sustainability working groups, evaluating working groups' recommendations.
- Reporting the Committee's solution and action proposals to the Board of Directors through the General Manager.



## Sustainability Strategy

We have designed our sustainability strategy with the aim of maintaining our domestic capital structure and profitability. Sensitivity to the environment, people and communities, commitment to universal human rights and code of ethics, operational excellence and focus on customer satisfaction, developing high-tech, value-added products form the pillars of this strategy. As a responsible company that promotes stakeholder participation, we aim to strengthen Otokar's business strategy in the automotive and defense industries. On this path, we strive to fully adhere to the laws and regulations in the regions where we operate, apply global

sustainability standards, and respect the environment, people and the future.

## Material Sustainability Topics

Our material sustainability topics are reviewed annually by our sustainability managers and external experts and updated as needed. In consideration of industry dynamics and the rapid regulatory changes in the European Union and our country, a comprehensive materiality assessment was conducted in 2024 with the help of professional consultants to create new momentum within Otokar.

The Koç Group's "Lead. Together" manifesto, which provided a general framework, and our

company's vision, mission and core values laid the foundation for this materiality assessment. A review of current Otokar policies, SASB's sector-specific priorities for the automobile and defense Industries, Koç Group's high priority material topics, and the results of past surveys with the participation of 14 different stakeholder groups guided our efforts. We also analyzed stakeholder expectations in international markets, including Northern European countries, studied best practices, GRI Standards and EFRAG disclosure requirements, and conducted AI-driven studies. After interviews with senior executives who know our stakeholders and their expectations closely, the material sustainability topics were finalized.

## OTOKAR'S MATERIAL TOPICS

### For Business

Sustainable Growth -Contribution to Local Economy  
Corporate Reputation -Product and Service Responsibility  
R&D and Innovation -Business Ethics

### For the Planet

Low-Carbon Economy -Circular Economy  
Waste Management -Water Stewardship

### For People

Employee Experience -Potential Employee Management  
Human Rights and Fair Work

### For Communities

Civic Engagement







## Stakeholder Communication and Engagement Platforms

We aim to engage in constructive and transparent communication based on mutual trust, cooperation and benefit with all our stakeholders, including clients, employees, suppliers and shareholders, regulatory bodies, government authorities, NGOs and the media. In determining the communication methods and frequency, we consider the needs and expectations of the respective stakeholder groups. As a publicly traded company listed in Borsa Istanbul, we maintain shareholder relations in accordance with applicable laws and regulations and capital market legislation requirements, and communicate transparently and regularly with investors and shareholders through the Investor Relations Department.

The shareholders are advised about the company's activities and goals by various means, including ordinary general assembly meetings, annual reports, sustainability reports, annual and quarterly earnings releases, periodic analyses and information documents, website, press releases, material disclosure announcements, meetings, and interviews. Provided that there is no breach of confidentiality or conflicts of interest, information is shared with the shareholders on demand.

The Corporate Communications and Sustainability Directorate is also responsible for communicating with the stakeholders other than those with financial interests, determining the corporate communication strategies and practices, and implementing social development projects. During the selection of the partnering

stakeholders, especially for social development projects, the relevant stakeholder is expected to hold the same high ethical standards as Otokar and adopt a mutually beneficial and constructive work philosophy.

The intranet and the custom-developed mobile app are the primary channels used to communicate with our employees. Internal management changes, important announcements and press releases are shared via the intranet and the employee app. Work environment surveys among the employees, management bodies such as OHS committees, self-assessment interviews, open door meetings and suggestion system are other channels used in internal communication. These channels enable our employees to communicate their expectations, opinions and suggestions and to contribute to the management processes.

The internal newsletter "This Month at Otokar," the website and Otokar's social media accounts are channels used to communicate with the employees, clients and the authorized dealers and service centers. The training programs offered to the employees and the authorized dealers and service centers also strengthen the communication between the company and its stakeholders.

We join trade and industry associations and unions operating in our fields and partner with sustainability-focused non-governmental organizations. We also serve on the joint working platforms or management bodies of these organizations to actively support their activities

## Stakeholder Communication

Stakeholder Group	Stakeholder Engagement Platforms
Employees	Satisfaction Surveys (annual), training programs (continuous), This Month at Otokar newsletters, News of the Day, social media, website, intranet, Otokar employee app, emailing, company screens.
Customers	Otokar Customer Service Line, mobile app, website, press releases, material disclosure announcements, meetings and interviews, social media, events, trade fairs.
Investors	General Assembly Meetings (annual), annual reports, sustainability reports (annual), annual and quarterly earnings releases, periodic analyses and information documents, website, press releases, material disclosure announcements, meetings and interviews, social media.
Business Partners (Dealers and Aftersales Service Centers)	Satisfaction surveys (annual), training programs, website, press releases, material disclosure announcements, meetings and interviews, social media, events, trade fairs.
Suppliers	Supplier portal, website, press releases, material disclosure announcements, meetings and interviews, social media, events, trade fairs.
Subcontractors	Meetings and interviews, press releases, material disclosures, social media



### Managing Potentially Negative ESG Impacts

Koç Group Ethics Line, operating 24/7, is managed by independent service providers and is available as the main communication channel for whistleblowing. All incidents reported via this platform or alternative methods are initially reviewed by system users from the Internal Audit Department and Legal and Compliance Department, depending on their subject. The purpose of these reviews is to confirm the relevance of the reported incident and to verify its credibility. As regulated in the Koç Group Whistleblowing Policy, if the reported incident is within Otokar's purview based on the preliminary assessment, the system user is authorized to investigate the issue in depth and decide whether an investigation is required or to close the ticket opened in the system. When an investigation is necessary, Otokar's internal procedures are followed. If the relevant issue is not within Otokar's purview, actions specified in the Koç Group Whistleblowing Policy are taken.



### Memberships and Organizations

- Automotive Distributors Association (ODD)
- Automotive Manufacturers Association (OSD)
- Automotive Technologies R&D
- Automotive Technology Platform
- Corporate Communications Association
- Defense and Aerospace Industry Manufacturers Association
- Foreign Economic Relations Board of Türkiye (DEİK)
- Heavy Commercial Vehicle Importers Association
- Istanbul Chamber of Commerce
- Istanbul Chamber of Industry
- Istanbul Mineral and Metals Exporters' Association
- OSD Environment Advisory Board
- Sakarya Provincial Employment Authority
- Sakarya Chamber of Industry and Commerce
- Technology Development Foundation of Türkiye
- Turkish Employers Association of Metal Industries (MESS)
- Turkish Industry and Business Association (TÜSİAD)
- TÜSİAD Environment Advisory Board
- Turkish Quality Association (KALDER)
- TUYİD Turkish Investor Relations Society
- Uludağ Exporters' Association
- Union of Chambers and Commodity Exchanges of Türkiye



### Compliance with CMB's Sustainability Principles

Otokar closely follows the best sustainability practices, including those specified in the Capital Market Board's (CMB) Sustainability Principles Compliance Outline, to ensure compliance with the generally accepted best sustainability practices. Most of the sustainability topics Otokar manages are congruent with the Sustainability Principles Compliance Outline introduced by CMB in 2020. Otokar is already in compliance with the majority of the non-mandatory principles in the Sustainability Principles Compliance Outline imposed by the Capital Markets Board on a "comply or explain" basis.

Once the ongoing work to align with internationally accepted practices is completed, we aim to adhere to the remaining principles that currently lack full compliance. We monitor environmental and social impacts related to non-compliance with the non-mandatory principles and assess them as part of sustainability activities.

Explanations regarding non-compliance with certain principles and relevant action plans are summarized below:

Principle	Compliance Status as of February 2025			
	Yes	Partial	No	Not Applicable
A) General Principles	10	1	1	-
B) Environmental Principles	18	2	4	-
C) Social Principles	18	-	-	-
D) Corporate Governance Principles	2	-	-	-

- Principle A1.2 – While several targets are monitored with scorecards in many areas within the scope of ESG policies, starting with environment and occupational safety, work is ongoing to set long-term targets. Once the target setting system is in place, the short- and long-term targets will be disclosed to the public.
- Principle A4.1 - Otokar works with an independent third party for verification purposes to further improve the reliability of the consolidated financial statements disclosed to the public. Starting from 2025, other environmental and social indicators will be verified by an independent third-party and the results will be disclosed.
- Principle B9 - Otokar monitors the energy consumed and greenhouse gas emissions released in the production processes and launches efficiency projects to reduce energy consumption and emissions. In 2024, carbon footprint was calculated and verified for Scope 1, Scope 2 and Scope 3 emissions in compliance with ISO14064-1:2006 Standard, GHG Protocol, IPCC 2006 Tier 1 methodologies. With 2021 taken as baseline, Scope 1-2-3 emissions have been assured by BSI according to the ISO14064-1 standard. The Scope 1-2-3 emissions for 2022 have been accredited by BVQI (Bureau Veritas) and the 2023 data by QSI Certification & Inspection.
- Principle B12 – Although several targets are tracked with scorecards in many areas within the scope of ESG policies, starting with environment and occupational safety, work is ongoing to set long-term targets. Once the target setting system is in place, the short- and long-term targets will be disclosed to the public.
- Principle B14 - Even though the environmental performance and improvement efforts, including greenhouse gas emissions, are among the supplier selection criteria and considered in the process, the specific actions taken in these areas are not publicly disclosed due to the nature and dynamics of the suppliers' respective industries.
- Principle B15 - While the company discloses the administrative and investment costs of environmental management activities, the returns on the efficiency-focused activities are not declared.
- Principle B23 - The Company is considering different tools to employ for transitioning to a low-carbon economy, and those determined as feasible will be implemented as part of the relevant strategy.
- Principle B24 - The Company is considering different tools to employ for transitioning to a low-carbon economy, and those determined as feasible will be implemented as part of the relevant strategy.

### BIST Sustainability Index

At Otokar, we aim to create long-term value by integrating economic, environmental and social factors with corporate governance principles. Since 2014, Otokar has been included in the BIST Sustainability Index, whose constituents are listed companies with the highest corporate sustainability performance, in recognition of its sustainability-focused efforts. Through the Sustainability Index, Otokar discloses information on its environmental, social and corporate governance related activities as well as their performance results and relevant targets to its stakeholders. Otokar is also included in the ESG rating of the LSEG.





## CONTRIBUTIONS OF OTOKAR'S SUSTAINABILITY PRIORITIES TO UN SDGS

Sustainability Pillar	Material Topics	Relevant SDGs
For Business	Sustainable Growth	
	Contributing to Local Economy	  
	Corporate Reputation	 
	Product and Service Responsibility	   
	R&D and Innovation	   
	Business Ethics	    
For People	Employee Experience	
	Potential Employee Management	 
	Human Rights and Fair Work	  
For the Planet	Low Carbon Economy	  
	Circular Economy	  
	Waste Management	   
	Water Stewardship	
For Communities	Community Engagement	 



## Otokar Sustainability Targets

FOR BUSINESS	Target Year
Integrating 50% of critical suppliers accounting for 80% of procurement turnover into the Supplier Evaluation and Development Program	2027
Ensuring continuity of the Quality Index with the value 100%	2030
Allocating 70% of R&D expenditures to sustainability areas such as alternative fuels, environmental solutions, and safe transportation	2028
Offering at least one alternative fuel version in each passenger transportation product segment	2028
Participating in at least two international projects annually in digital transformation and smart production technologies	2035
Providing 'Ethical Principles' training including 'Respect for Human Rights' to 75% of dealers/service centers	2028
Increasing the Customer Product Recommendation NPS Score to 50	2030
FOR PEOPLE	
Reaching zero accident rate through sustainable improvements	
Providing 80% of Otokar employees with 'Ethical Principles' training including 'Respect for Human Rights'	2028
Increasing the ratio of women on Otokar's Board of Directors to 25%	2026
Ensuring that 50% of new hires each year are women to support female employment	2030
Increasing the percentage of female field employees to 20%	2030
FOR THE PLANET	
Conducting LCA-Recycling Reports for the entire alternative-fuel commercial vehicle family	2030
Ensuring continuity of 99% waste recovery rate from production activities	2030
FOR COMMUNITIES	
Reaching 100 students in internship programs at Otokar facilities under the "Stronger Future with Otokar" project	2030



# FOR BUSINESS





# SUSTAINABLE GROWTH

## Sustainable Growth Approach

As a leader in the Turkish automotive and defense industries, Otokar aims for consistent growth in global markets and creating value for its stakeholders as key priorities. Aspiring to become a global player in the automotive and defense industries, we are committed to maintaining our leading position in Türkiye, while making strides in international operations.

Products with owned designs and intellectual property rights, developed with our own engineering and R&D capabilities are the driver of our growth. As we remain committed to maintaining our leadership in the Turkish bus market, we aim to expand our vehicle park in export markets, primarily in Europe, through our subsidiaries, affiliates, and branch offices. Otokar's alternative fuel product lineup is already prepared to meet the needs of all cities undergoing transformation to mitigate the negative impacts of climate change. In logistics, we continue to increase the share of the Otokar Atlas light truck range in domestic and export markets, while reinforcing our market position with the addition of the pickup trucks. In the defense industry, our plan for the near future is to focus on delivering the latest orders we have received. Meanwhile, our goal of capitalizing on opportunities such as technology transfer, local production, and joint project development to meet the needs of our current and potential clients remains another priority.

With our subsidiaries, affiliates and branch offices in **France, the United Arab Emirates, Romania, Kazakhstan and Italy**, we will maintain our sustainable growth in 2025.

Sustainable Growth Metrics	2023	2024
Sales Volume (units)	5,151	5,394
Position in Türkiye's Bus Market (by units sold)	1 <sup>st</sup>	1 <sup>st</sup>
Countries Using Vehicles with Otokar-owned IP	75+	75+
Revenue (TL billion)	39.3	33.9
Net Profit for the Period (TL million)	2,841	-3,104
Equity Ratio by year-end (%)	26	18
Number of Employees (year-end)	4,393	3,772
Capacity Utilization Rate (%)	52	51
Ratio of R&D Spending to Revenue (%)	4	5
Share of Otokar-designed Vehicles in Revenue (%)	95	71



## Sales

In 2024, our total sales volume increased by 5% year-on-year, while revenues declined by 13.8% down to TL 33.9 billion in the same period. Domestic sales revenue grew by 21% to 12 billion Turkish Lira, while export revenue decreased by 7% due to fluctuations in demand, reaching USD619 million (TL 21.8 billion) and accounting for 64% of our total revenues. In 2024, we posted a net loss of TL 3.1 billion, primarily caused by exchange rate increases lagging behind inflation rates, high indebtedness levels and borrowing costs, and a decline in export volume.

In 2024, Otokar became Türkiye's export champion in the land vehicles segment of the defense industry, the fourth largest bus manufacturer in Europe and the country's most preferred bus brand for the 16<sup>th</sup> consecutive year.

Sales (TL billion)	2023	2024
Domestic Sales	9.96	12.07
Exports	29.37	21.82
<b>Total</b>	<b>39.33</b>	<b>33.89</b>

Sales (units)	2023	2024
Microbuses	195	169
Small Buses	1,718	1,821
Buses	1,937	1,643
Light Trucks	996	1,262
Pickup trucks	-	298
Military Vehicles	305	201
<b>Total</b>	<b>5,151</b>	<b>5,394</b>

## Investments

The R&D investments we initiated continued into 2024 as we worked toward our goal of achieving rapid growth through vehicles with Otokar-owned intellectual property rights. As of 2024, our investments have reached approximately USD 93 million, including capitalized R&D spending. These investment expenditures include reorganizing production areas, efforts to improve efficiency, modernization, and maintenance.





## Consistent Growth In Commercial Vehicles

### Türkiye's Leading Bus Brand for 16 Years

Even though the domestic bus market shrank in 2024, we maintained our leadership for the 16th consecutive year, once again ranking as the most preferred brand in Türkiye, with one out of every three buses sold bearing the Otokar brand.

### Fourth largest bus manufacturer in Europe

We accelerated our growth in the European bus market through our subsidiaries in France, Italy and Romania. In addition increasing sales in Italy, Spain and France, we further solidified our presence by opening a new branch office for Otokar Europe in Germany in 2024. Additionally, we expanded our exports beyond vehicles to services. Thanks to efficiency enhancing initiatives in our production facilities and rising output, Otokar became Europe's fourth largest bus manufacturer in 2024.

As our electric and autonomous vehicle development efforts continued at full steam in 2024, we added a new version of the electric public transportation bus, e-Kent, to our product lineup and debuted the vehicle in Belgium. We also delivered several electric buses, primarily to Italy in 2024. Additionally, the driving tests of the Easy Urban Drive variant of the autonomous e-Centro were successfully completed in Hungary in collaboration with TÜV Rheinland.

### Growing in the Light Truck Segment with New Members Added to Lineup

Marking 11 years since entering the light truck segment, Otokar captured significant success in the market, becoming the light truck brand with the highest increase in sales. In 2024, the 5,000<sup>th</sup> Otokar Atlas light truck was rolled off the production line.

We expanded the Atlas light truck family with new 11-ton and 15-ton models. On the occasion of this important milestone, we also added the 100% electric e-Atlas model to the range, reinforcing our ambition in alternative fuel vehicles.

### Expanding into the Pickup Truck Segment

In 2024, Otokar expanded into the pickup truck segment. Building on more than a decade of cooperation with Foton, one of the leading global commercial vehicle manufacturers, Otokar entered the pickup truck market with Tunland, which gained nearly 2% market share soon after the launch.

### Exporting Technological Solutions

We reinforced our success in vehicle exports by exporting technological solutions. Bus Monitor, the telematics solution developed to help reduce the costs of public transportation operators and municipalities, improve their efficiency, plan their maintenance and ensure uninterrupted service, was exported for the first time to Portugal.







## Consistent Growth In Defense Industry

### Export Leader in Land Vehicles

In 2024, Otokar was named Türkiye's largest exporter in land vehicles by the Defense and Aerospace Industry Exporters' Association (SSI). As a global player competing with the top international companies, we provide services for existing and potential clients in different regions across the world through our subsidiaries.

The defense industry accounts for 88% of the company's export revenues. With strong engineering and innovative design capabilities and expertise in advanced technology integration, the company continues to produce solutions in response to current and future security threats. In 2024, the company sold military vehicles to six countries.

### Largest Export Deal for Armored Vehicles

In 2024, Otokar, the global player of the Turkish defense industry, secured the largest single-item land platform export contract Türkiye has ever received. The company, which submitted a bid for the 4x4 light armored tactical vehicle procurement tender opened by C. N. Romtehnica S.A. (Romtehnica), a Romanian Ministry of National Defense company, was awarded the contract. The agreement, signed with the Romanian Ministry of Defense after the official notification, for 1,059 Cobra II 4x4 armored vehicles also includes provision of integrated logistics support services.





# CONTRIBUTING TO LOCAL ECONOMY

## Contributing To Local Economy Approach

As stated in our values, we draw our strength from the Turkish economy and aim to give back. As we implement this approach as a crucial factor for sustainable growth, we commit to upholding excellent business ethics and operating principles. Our vision statement also emphasizes our dedication to preserving the local and national identity of our products.

We provide both direct and indirect economic contribution. Our direct contributions include the jobs we create at our Sakarya plant, our local sourcing practices, the taxes we pay, the profitability generated for our shareholders and creditors, our export volume and our donations to social causes. In terms of indirect contributions, we create economic benefit for the employees of subcontractors and suppliers, as well as for the region where our plant is located.

**Sustainable Transportation:** As the manufacturer of Türkiye's first hybrid, first electric and first smart bus, we follow the latest public transportation trends and anticipate user needs to develop the right solutions. Our product portfolio features a broad range of vehicles that support public transportation systems in many cities, both in Türkiye and other countries. In line with our goal of expanding our alternative fuel bus family and making the entire product range low- and zero-emission, we continued to work on alternative-fuel and autonomous vehicles in 2024.

Our products used in public transportation contribute to **more modern, economical, safe, quality, and environmentally friendly** mobility for people and organizations, including municipalities.

Contribution to Local Economy - Metrics	2023	2024
Number of Employees (Türkiye)	4,283	3,665
Number of Employees (International Subsidiaries)	110	107
Subcontractor Employees (Türkiye)	382	383
Local Supplier Ratio* (%)	79	80
Local Sourcing Ratio* (%)	48	53
Exports (USD million)	667	619
Dividend payout (TL million)	720	-

\*Excluding subsidiaries



## Supplier Relations



Our main supplier system consists of business partners that sell us materials and components, while providers of various services, particularly logistics, are also included in the sourcing portfolio. We have already added local sourcing alternatives for many materials. Our supplier selection process is based on competitiveness and compliance with global standards. We evaluate prospective suppliers based on their financial, commercial and operational processes, alongside their social, environmental and economic performance. Suppliers who pass the evaluation are added to a supplier pool, which is used for all purchasing transactions. In 2024 we evaluated 827 Tier-1 suppliers and 1,431 significant suppliers (from all Tiers).

In 2024, we worked directly or indirectly with 1,143 local suppliers and achieved a local sourcing rate of 53% based on spending.

### Tax Policy and Practices

Like all other Koç Group companies, Otokar applies the directives, circulars and policies of Koç Holding for its tax management methodology. In simplest terms, the policy principles are described as commitment to integrity and ethical values and compliance with local and international legislation in the jurisdictions where the company operates. Pursuant to Article 3.2 of Koç Group Code of Ethics, Otokar aims for compliance with law

under all circumstances. Where legislation is unclear, the relevant authorities are contacted to make sure that the most reasonable taxation method is applied to favor the public and the company. To ensure continuity in taxation and prevent compliance risks, we constantly monitor the latest legislative changes and updates, keep our practices up-to-date and manage risks at the micro and macro levels.

To eliminate tax-related risks, we adopt a proactive approach and monitor the latest developments while the legislative process is still ongoing, taking action for maximum compliance through information technology solutions. In matters where the policymakers leave the legislation ambiguous, solutions that comply with the spirit and letter of the applicable tax legislation are implemented under the advice of Koç Holding Tax Coordination Department and chartered accountants who provide consultancy. Communications with the tax office and other public institutions may be both in person and on digital platforms. Tax audits are regularly conducted by chartered accountants and the Holding's Audit Group, which hold the required certifications.

In each country where our subsidiaries operate, taxes are calculated for the revenues of services provided locally





# CORPORATE REPUTATION

## Corporate Reputation Approach

As Türkiye's leading automotive and defense industry company with 100% domestic capital, we aim to be a symbol of trust, continuity and respect for our country, clients, partners and the supply industry. We recognize that continuously elevating our brand value requires us to uphold our own values and consistently meet the expectations of our stakeholders. Ensuring customer satisfaction is also a key factor for building brand value and reputation.

As a global company, we develop products with owned intellectual property rights. Our products are currently used in more than 75 countries across five continents. In 2024, we became Türkiye's most preferred bus brand for the 16<sup>th</sup> consecutive year and ranked as Europe's fourth largest bus manufacturer. Our extensive product range, aftersales services, the high resale value of our vehicles, and the trust our brand elicits position us as the preferred choice in our industry.

Corporate Reputation Metrics	2022	2023	2024
ISO 500 Ranking*	122	97	59
Fortune 500 Türkiye Ranking*	129	143	77
TİM Top 1,000 Exporters Ranking*	375	181	68
Top 125 Most Valuable Turkish Brands Ranking - Brand Finance	46	37	30
Great Place To Work Award	Won	Won	Won
Corporate Governance Rating*	9.55	9.56	9.60
Inclusion in the Corporate Governance Index	Yes	Yes	Yes
Inclusion in the BIST Sustainability Index	Yes	Yes	Yes
JCR Long-Term Rating - National	AA+ (Tr) (Outlook: Stable)	AA (Tr) (Outlook: Stable)	A+ (Tr) (Outlook: Stable)
JCR Long-Term Rating - International (in local and foreign currency)	BB / (Outlook: Stable)	BB / (Outlook: Negative)	BB / (Outlook: Stable)

\*Previous year's rankings.

## Brand Value

We recognize that our brand value depends on multiple factors, which are all interconnected like links in a chain with each link individually important. As we maintain our high level of quality at every stage, we also apply high standards in people relations.

As our brand value continues to increase every year, we climbed 38 places to 59th on the ISO 500 list in 2024. We also demonstrate steady progress in the assessments

conducted by rating agencies, which affect our financial credibility and brand value. In 2024, we received a corporate rating of 9.60, and we maintained our place in the BIST Sustainability Index since 2014. According to the evaluation of our credit ratings by JCR Avrasya Derecelendirme A.Ş. (JCR Eurasia Rating), Otokar's Long-Term National Rating was affirmed as "A+(Tr)" and outlook as "Stable," and Long-Term International Rating (local and foreign currency rating) as "BB" and outlook as "Stable."



# PRODUCT AND SERVICE RESPONSIBILITY

## Quality And Product Safety

### Quality Approach

At Otokar, our primary mission is to design, manufacture and market commercial vehicles and various defense industry products with global competitive strength, all developed to meet customer expectations. As we preserve the local and national identity of our products by developing technologies in-house, we aim to ensure continued satisfaction of our clients, employees and shareholders with our total excellence philosophy. In line with this primary mission, we have defined the core principles of our Quality Policy:

- Ensuring continued customer satisfaction by designing and manufacturing the highest quality, innovative and problem-free products.
- Defining the needs, expectations and conditions of the relevant parties and stakeholders in line with our strategies, proposing and implementing solutions.
- Researching and introducing new technologies and quality techniques to continuously enhance our quality management system, product and service quality.
- Instilling the total quality concept across the organization and establishing the necessary infrastructure. Engaging in activities to promote zero error in our products and increasing the value we offer to our clients.
- Strengthening our cooperation with our suppliers, monitoring and supporting their development to help them improve the quality of the products and services they provide.
- Contributing to the development of our employees with a people-centric approach based on mutual respect and trust.

Quality and Product Safety Metrics	2022	2023	2024
Ratio of Commercial Vehicles Assessed for Health and Safety Impacts	100	100	100
Ratio of Defense Industry Vehicles Assessed for Health and Safety Impacts	100	100	100
Total Incidents due to Non-compliance of Products and Services with Health and Safety Standards	0	0	0



[Click to view Otokar's Quality Policy.](#)



## Product Responsibility And Safety

We aim to provide safe products and services in universal quality norms and standards. As part of its product and service responsibility, Otokar considers the social, environmental and economic impact that the services may create. The company continuously strives to ensure that customers are always equipped with accurate information about the products and terms of use.

At Otokar, product and service quality is managed in line with the internationally accepted product and management standards. Accordingly, production process quality and excellence is assured with ISO 9001 Quality Management System Standard and AQAP 2110 Military Quality Assurance System certifications, and monitored with our internal index. Otokar products are subject to many laws and regulations that vary depending on their purpose and markets where they will be used. Therefore, we monitor applicable legislation closely to ensure and maintain legal compliance.

In addition to passing the AQAP 2110 certification audit in 2024, Otokar also completed the Ballistic and Mine Tests conducted under the supervision of an IAS technical auditor for compliance with the ISO/IEC Standard 17025:2017 and became "Internationally Accredited."

For Otokar, operating in the defense industry comes with critical product quality requirements and responsibilities. Pursuant to applicable laws and statutory requirements, the defense industry products are only sold to the Turkish Armed Forces and other internal security and police forces. Exporting defense industry products are subject to the approval of the Turkish Ministry of Defense. They are only exported to the authorized organizations within the framework of the applicable export laws and regulations, and the requirements of the respective governments' export licenses.

## Test Center

At Otokar, we apply environmental pressures mimicking real-world operating conditions to vehicles in specialty testing laboratories. This allows us to observe a product's structural and thermal load exposure throughout its lifecycle with an accelerated process during the R&D activities. Our research focuses on durability, fatigue mechanics, vibration, noise and thermo-aerodynamic systems. In addition to simulations, our test center also offers the following services:

- **Ballistic and blast tests:** The behavior of vehicle armors, exposed to kinetic energy and high pressure, is examined and protection levels are enhanced.
- **EMI/EMC tests:** Electromagnetic interference and compatibility are tested.
- **Automotive and field tests:** Automotive and field tests examine the behavior of wheeled and tracked vehicles under development by design teams under real-world operating conditions and dynamic loads in water and on land.

## Quality Controls

At Otokar, quality controls are performed by qualified employees using advanced measurement, calibration, physics and chemistry laboratory systems in all processes from receiving raw materials from suppliers to delivering products to customers.

## Certificates and documents held by Otokar

- ISO 9001:2015 Quality Management System Certificate
- ISO 14001:2015 Environmental Management System Certificate
- ISO 14064 Greenhouse Gas and Emissions Management System Certificate
- ISO 50001:2018 Energy Management System Certificate
- ISO 10002:2018 Customer Satisfaction Management System

- ISO 27001:2013 Information Security Management System
- ISO 45001:2018 Occupational Health and Safety Management System Certificate
- AQAP 2110:2016 Quality Management System Certificate
- MND - Facility Security Certificate – (NATO Classified)
- MND - Facility Security Certificate – (National Classified)
- MND - Approved Supplier Certificate
- MND - Production Permit Certificate
- ISO 17025:2017 Laboratory Accreditation Certificate
- TS 12047:2013 Authorized Service Qualification Certificate
- ISO 21434-R155 (Road Vehicles) Cyber Security Management System (CSMS) Certificate
- Ministry of Trade – Authorized Economic Operator Certificate (AEO)

## Continuous Improvements

As a company that always aims for continuous improvement in its business processes, services and products, we continued to apply Kaizen practices to offer the employees development opportunities. Based on the evaluations of the Kaizen work of the field employees throughout the year, the viable practices were included in the system and implemented. The achievements of the employees are recognized through the rewarding system.

## Lean Manufacturing Layout

The Layout Project designed to reconfigure the production flows in both the commercial vehicle and defense industry manufacturing continued in 2024. As part of the project, all production workflows were reconfigured according to lean production principles. Furthermore, the company's technological infrastructure was reinforced and the production management processes were restructured. Once the project is completed, we aim to set industry benchmarks in production infrastructure and management processes.





# Customer Satisfaction

## Customer Satisfaction Approach

With over 60 years of experience, Otokar is a pioneer and industry leader, designing and developing products using its own R&D capabilities. Always aiming to preserve the local and national identity of our products, we have introduced many innovations in public transportation and defense industry. Our goal is to ensure continued customer satisfaction by generating fast and reliable solutions with our total excellence philosophy. The objective of Otokar's Customer Satisfaction Policy is to establish long-term relations with its clients based on mutual trust, while ensuring their ultimate satisfaction.

[Click to view Otokar's Customer Satisfaction Policy.](#)

According to the policy:

- Customers' requests and expectations are quickly addressed at no cost with a transparent and objective approach. All customers may contact Otokar 24/7 via the Customer Relations Line at 444 68 57 (444 OTKR).
- Otokar offers customer-centric solutions to applications submitted to the company in accordance with internal policies, legal and other requirements and organizational, financial and operational requirements.
- The security of our customers' personal information is important. Therefore, their information is not shared or used for purposes other than the application submitted to the company pursuant to Law No. 6698 on the Protection of Personal Data.
- Otokar is committed to seizing the notifications, requests and expectations of customers, employees and other relevant parties as an opportunity for continuous improvement in all business processes.

Customer Satisfaction Metrics	2022	2023	2024
Call Center Resolution Satisfaction Rate (%)	55	61	69
Call Center Customer Satisfaction Rate (%)	91	90	89
Resolution Rate (%)	98.5	99.4	99.7
Service Center Satisfaction Rate (%)	83.9	84.1	85.8
Net Promoter Score (NPS)	-	-	49 (83%)
Dealer Satisfaction Rate (%)	95	94	95
Customer Average Resolution Time per Day	3.02	3.54	3.74
Roadside Assistance Response Time Satisfaction Rate (%)	91	91	90





### Customer Satisfaction Processes

At Otokar, we aim to establish long-term relations based on mutual trust with our clients, while ensuring their unconditional satisfaction. Customer satisfaction is managed within the framework of Customer Satisfaction Policy and Otokar Quality Policy. Furthermore, Otokar has obtained ISO 10002 Customer Satisfaction Management System Standard and ISO 10001 Quality Management-Customer Satisfaction certifications for quality assurance of customer satisfaction.

The activities carried out for this purpose are managed by the Marketing and Sales Directorate and the relevant units according to the Customer Satisfaction Policy and Quality Policy. The sales and aftersales processes are executed through Otokar's dealers and authorized service centers. Furthermore, customer satisfaction in after-sales service processes is assured with TS 12681 and TS 12047 Authorized Service Qualification Certifications.

We conduct various surveys to monitor the continuity of customer satisfaction. Client feedback forms the basis for Otokar's customer-centric approach and guides the efforts to continuously improve the services we provide with our dealers. Some of these surveys include the following:

#### Surveys for Monitoring Customer Satisfaction

- **Welcome to Otokar Survey:** This survey is conducted with customers who purchase vehicles from Otokar

dealers to evaluate their sales experience. We measure dealers' service quality and improve our services by better understanding customer expectations.

- **Things Gone Wrong (TGW) Survey:** Designed to evaluate the performance of our vehicles during their operational life, this survey is conducted three months and twelve months after delivery. The survey enables us to analyze in depth the potential problems encountered by our customers, their expectations and satisfaction levels. The data obtained through the TGW survey directly contributes to our product development and after-sales service processes in light of technical evaluations and customer experience perspective.
- **Solution Path Customer Satisfaction Analysis:** This survey, designed to assess the reporting processes of customers who contact our CRM center, measures customer satisfaction in terms of technical issues with their vehicles and our CRM service processes, facilitating objective analysis of service quality. Customer feedback is a key factor supporting continuous improvement in technical and service processes and strategically important for optimizing the service center experience.
- **Service Center Satisfaction Survey:** This survey is conducted to evaluate the experiences of our customers at our authorized service centers. The survey measures customer satisfaction across a wide range of service stages,

including welcoming the customer, the repair work, the quality of information and the delivery process. Receiving feedback from our customers enables us to objectively analyze the strengths and development areas in our service operations.

### Informing Customers

Otokar has in place multiple custom-designed communication channels to provide complete information about its products and services. Customers may directly access information such as product content, features, environmental impact and safe terms of use via these channels. Otokar's corporate website, product information forms, user manuals, vehicle modification guides and various other documentation are also resources available to the customers. Furthermore, customers may submit their service requests, opinions and suggestions via the Otokar Customer Service Line, website or authorized dealers and services. In 2024, 99% of the 7,667 customer contacts with Otokar Customer Service Line were resolved.

The customers contacting the CRM center also receive information on various issues. These include: general operating features, key considerations, particularly critical safety components and the importance of original spare parts, supply chain processes, and authorized service centers along with detailed maintenance recommendations and technical information affecting vehicle safety.



# Data Security

## Data Security Approach

As specified in the Information Security Policy, we view our information assets (including consumer information assets) as an important resource for capturing a competitive advantage and attaining our strategic goals. Therefore, we take all necessary measures to ensure that these information assets are always available, secure and consistent.

At Otokar, we are committed to complying with laws and regulations, fulfilling our contractual information security obligations and putting in maximum effort to ensure the security of customer and consumer information available to us. To achieve these goals, we have also committed to establishing and continuously enhancing an Information Security Management System, managing our risks in accordance with ISO 27001 criteria and allocating the necessary resources.

Data Security Metrics	2022	2023	2024
Number of Employees Who Received Information Security Training	1,138	1,201	1,174
Number of Incidents Detected Regarding Loss, Theft or Leaking of Customer Data	0	0	0
Uptime (%)	99.2	99.4	99.6

Aiming to continuously improve our business processes, services and products, we completed the Cyber Security Management System (CSMS) audit in 2024 and earned ISO 21434-R155 (Road Vehicles) Cyber Security Management System (CSMS) Certification, a cybersecurity management system standard for the automotive industry in alignment with ECE R155 standards, a comprehensive security regulation for ensuring the protection of vehicles against cyber threats. As a result, we ranked among the first commercial vehicle manufacturers in Türkiye with a three-year certification.

## Data Privacy

Operating in the defense industry requires us to maintain data in utmost confidentiality. As a manufacturer with the capability to design and develop products using our own know-how and expertise, we also engage in R&D activities, making our information assets even more important. Protecting the corporate and personal data of our clients and customers is also addressed within the scope of data privacy. Therefore, we take all measures needed to protect our information assets and store them securely, safely and continuously, while constantly enhancing the relevant practices.

In all processes regarding data privacy, Otokar complies with ISO 27001 Information Security Standard and AQAP 2110 NATO Quality Assurance Requirements Standard for Design, Development and Production.

## Protection Of Personal Data

We diligently protect personal data. Otokar Personal Data Protection Policy lays out the principles we have adopted to process personal data.

Through this policy, we advise data subjects transparently about the protection of their data and ask for the express consent of the customers after they have read and understood the relevant notice before their information is collected. The collected data is not used for purposes other than those specified in Otokar Customer Satisfaction Policy and the Personal Data Protection Law No. 6698. All employees, starting with the CRM Center team, receive training on data privacy and agree to protect confidentiality. Processes related to data privacy are regularly assessed.

## Cybersecurity

Since the applications connected to the internet pose the highest risk in terms of cybersecurity, these are protected by IPS and firewalls. No adverse situations were encountered in 2024.

[Click to view Otokar's Information Security Policy.](#)

[Click to view Otokar's Personal Data Protection Policy.](#)





# R&D AND INNOVATION

## R&D and Innovation Approach

The 1960s, a decade of significant industrialization movement in Türkiye, saw an increasing need for passenger transportation. The buses built on truck chassis offered in response to this need were not adequately comfortable or safe for transportation. At Otokar, we had demonstrated our customer-focused innovation approach already during our inception. The company was established with the aim of manufacturing Türkiye's first intercity buses suitable for passenger transportation and focused on R&D and innovation to develop optimal products that would meet the evolving transportation needs. With many firsts to its name, including Türkiye's first public minibuses and first medium-sized bus, Otokar also introduced the first computer-assisted designs to the Turkish automotive industry in the late 1980s.

Since then, closely following customer expectations, market needs, trends and technologies, and being able to respond to these needs with its own technology have formed the basis of our R&D and innovation approach.

## R&D Activities

The high technology vehicle groups and systems Otokar manufactures are designed in-house. In the reporting period, Otokar's own designed vehicle sales accounted for 71% of total revenues. Our R&D capabilities include CAD software for product development, prototyping workshops and software, computer-assisted analytics and simulation software, testing apparatus and software. In 2024, Otokar's R&D spending corresponded to 5% of the company's revenues.

R&D and Innovation Metrics	2022	2023	2024
Ratio of R&D Spending to Revenues (%)	6	4	5
Number of Passenger Transportation Product Segments Offering at Least One Alternative Fuel Version	2/7	2/7	3/7
Number of R&D Center Employees	622	691	639
Share of Otokar-designed Vehicle Sales in Revenues (%)	96	95	71
Participation in International Projects (number)	4	6	3

## R&D Center

Otokar's Sakarya plant is home to one of the leading automotive R&D centers worldwide. Otokar R&D Center, which also serves as an independent accreditation center for all R&D activities of local and international companies in the automotive and defense industries, is equipped with simulators, test equipment and computer systems to generate and evaluate information for faster testing of manufactured vehicles with advanced technologies. The testing capabilities of the R&D Center are accessible to various other industries and companies.



## Green R&D

**Electric Vehicles:** Electric vehicle development remains a key focus of Otokar's long-term strategy. In 2024, the company continued its advancements in this field, unveiling the new e-Kent public transportation bus at the Busworld Türkiye fair. Designed to promote a cleaner environment, quieter urban traffic, lower operating costs and enhanced efficiency, the 100% electric e-Kent stands out with its innovative design, advanced technologies and state-of-the-art safety features. The bus offers a range of over 300 kilometers on a full charge, depending on topography and usage conditions.

In 2024, we expanded our Atlas light truck lineup with the new 11-ton and 15-ton models. We also introduced the 100% electric e-Atlas model, reinforcing our ambition in alternative fuel vehicles. In addition to closing the first sale in Türkiye, we exported the first electric light truck to Europe. The e-Atlas was recognized with Gold Medal in the "Innovation" category at the 78<sup>th</sup> Plovdiv International Technical Fair, a major industrial event in Bulgaria.

**Hydrogen Fuel-Cell Technology:** In line with our commitment to advancing green mobility solutions for a sustainable future, we have intensified our efforts by introducing Kent Hydrogen, our first bus powered by hydrogen fuel cell technology, to our product lineup. Kent Hydrogen operates by utilizing hydrogen, a gas derived from renewable energy and water, which reacts with oxygen in the fuel cell atop the vehicle to generate electricity. This innovative design not only significantly reduces harmful emissions, solely emitting water vapor, but also plays a crucial role in enhancing urban air quality. Engineered with plug-in hybrid technology, the vehicle can charge its fuel cell while in motion, thereby extending its range. With the capability to be filled in under 10 minutes, Kent Hydrogen offers a remarkable range exceeding 600 kilometers.

## Autonomous Vehicle Project

The electric autonomous e-Centro, equipped with Level 4 driving technology, operates without requiring a human driver. Engineered to adhere to traffic regulations, this vehicle boasts precise positioning capabilities, ensuring safe navigation. Capable of providing seamless service round-the-clock and in all weather conditions, the autonomous e-Centro effortlessly pulls up to designated stops along its route, facilitating passenger boarding and alighting with utmost efficiency. The autonomous bus was tested in Hungary in collaboration with TÜV Rheinland.

## Military Vehicle Development Capability

R&D is a crucial element in the defense industry. R&D capabilities should be continuously enhanced to strategically reduce dependence on imports, maintain the country's and our allies' self-defense capabilities at the highest level and to stay ahead of the curve in this constantly advancing industry.

Boasting superior design, testing and production capabilities, we are able to quickly respond to the ever-evolving needs and requirements of our clients. With excellent design and development capabilities, Otokar competes with global industry titans.





## Arma II 8x8 Recovery Vehicle

The qualification and customer demonstrations of the Arma II 8x8 recovery vehicle, developed by our R&D team, were successfully completed. The Arma II 8x8 integrates multiple recovery functions—typically performed by two separate vehicles—into a single platform, securing a leading position in this segment. It is designed to efficiently recover damaged, overturned or sunken tracked and wheeled armored vehicles on the battlefield, while also executing maintenance, repair, towing, ground leveling and obstacle removal operations.



## Alpar Unmanned Ground Vehicle

In 2024, we advanced our work on unmanned vehicles, further strengthening our innovation leadership. Alpar, Türkiye's first medium-class unmanned ground vehicle, was enhanced with fully autonomous driving capabilities, supported by GPS and camera systems. Operating silently with its serial hybrid drive system, Alpar integrates cutting-edge reconnaissance, surveillance and combat functionalities. Its modular electronic infrastructure enables remote and autonomous operation, vehicle tracking, and superior maneuverability, comparable to light tanks, while maintaining a low thermal and acoustic signature.







## Digital Transformation Projects

Our R&D projects on digital transformation, smart production and autonomous vehicles are recognized at national and international levels. We are currently advancing research on our autonomous vehicle, developed under TÜBİTAK's Tech-Driven Industry Initiative Program. Additionally, three digital transformation and smart manufacturing technology projects we developed were approved for the EU's Horizon Europe Program in 2024. With the acceptance of these projects, we further reinforced our effectiveness in international projects and received additional R&D discounts from the Ministry of Industry.

**MATISSE:** As expectations for accuracy, accessibility, traceability and reliability increase in today's complex industrial system landscape, digital twin technology offers virtual representations of real-world systems or processes for estimation, analysis, testing and simulation purposes. Integrating digital twins with model-based, data-driven and cloud technologies, MATISSE simplifies this development process for early verification and validation of complex industrial systems. MATISSE is a European HORIZON-KDT-JU research project bringing together over 30 partners from seven countries to simulate, test, and predict system behaviors, enhancing both productivity and quality by developing and using vehicles. As project partner and technology developer, Otokar also provides an application area.

**SA4CPS:** The objective of the Sa4CPS project is to develop a secure situation awareness concept for critical cyber-physical systems in the logistics, mobility, energy and security sectors. The targeted innovation will arise from the application of novel

solutions for situational awareness with a digital zero-trust approach with distributed ledger technologies (DLT).

The data collected from logistics equipment at the Otokar plant will be analyzed using AI to improve the resiliency, security, privacy and safety of people, autonomous physical objects and company digital twins during unexpected events such as accidents and physical or virtual attacks. Otokar will take part as an application area provider in the ITEA4 project, which includes 20 stakeholders from five countries. We also plan to integrate the developed solutions into our own systems.

**TASTI:** The main objective of TASTI (Application-Tailored Synthetic Image Generation) is to develop a modular transferable technology framework to bring innovation to synthetic image generation and to customize such an innovation for different applications. The goal of the project is to generate synthetic images of the error types encountered in industrial systems and to classify those errors with neural networks trained with these images.

We aim to integrate the project outputs into applications where machine vision systems are utilized. There are 17 project partners from Türkiye, the Netherlands, Spain, Belgium, Sweden and Canada in the project, which has already received the Celtic (Eureka) label and TÜBİTAK's approval. In the first year of the project, the working scenario, requirements and system topology were determined. An autoencoder-based AI algorithm has been developed for detecting anomalies in data received from camera sensors.





# BUSINESS ETHICS

## Business Ethics And Compliance

In line with the goals and principles established by the Koç Group, we embrace integrity, honesty, responsibility, trust and respect as the core values that guide our decisions and actions. We base our long-term, trust-based relationships with all our stakeholders on these values. As a company operating in global markets, we recognize the importance of embracing universal approaches to advance our business and maintaining an ethical stance in the face of rapid developments and changing competitive landscapes in our industries.

Business Ethics and Compliance Metrics*	2022	2023	2024
Ethics Training (person*hours) (addressing Code of Ethics, Human Rights, Bribery and Corruption topics)	3,116	246	1,506
Anti-Corruption Training (person*hours)	336	114	138.5
Fines Paid for Forced Labor, Child Labor, Life-Risking Working Conditions and Significant Environmental Damage (TL)	0	0	0

\* Otokar Europe included.





### Code of Ethics

Otokar Code of Ethics is based on and aligned with Koç Holding Code of Ethics and Implementation Principles, and binding on all Otokar executives, employees and partners (suppliers, dealers, authorized service centers, contractors, consultants and all representatives acting on behalf of the company). Similarly, UN Global Compact, to which Koç Holding is a signatory on behalf of all Group companies, is binding on Otokar's entire value chain.

### Ethics Processes and Ethics Line

**Otokar Ethics Board** has been formed to design and effectively implement the processes regarding compliance with business ethics guideline and prevention of unethical behaviors, including bribery and corruption, within the organization and across the value chain. This Board is responsible for the processes, from planning and conducting audits and detecting violations to creating action plans for responding to such incidents. Accordingly, both Otokar Internal Audit teams and Koç Holding Audit teams conduct individual audits on the company's operations.

Employees may report suspicious incidents and behaviors and communicate their suggestions and requests to a senior manager. If need be, they may directly contact the Otokar Reporting and Notification Line or Koç Holding Ethics Line. All notifications are addressed in strict confidence. Otokar has implemented a Whistleblowing Policy to encourage its employees and stakeholders to report any actions that they suspect are in violation of relevant policies or applicable legislation.

- In 2024, Otokar employees received 1,506 hours of Ethics Training, including 138.5 hours of anti-corruption training.
- 298 supplier employees completed the Ethics Training, which is mandatory for suppliers upon first login to the SRM system.
- In 2023, 17 dealers and 30 participants had received Ethics Training. Since a refresher course is required every two years, no training was provided in 2024, and plans have been made for 2025.

### Anti-bribery and Anti-corruption Efforts

At Otokar, we take all necessary measures to prevent bribery and corruption. Otokar

Anti-Bribery and Anti-Corruption Policy has been drafted and implemented to address bribery and corruption, which were previously covered within the Code of Ethics. This policy is published on the corporate website for easy access by all stakeholders and also communicated to all employees through internal channels. Otokar Compliance Program training content has been added to the supplier platform as well, and agreements are negotiated accordingly.

In addition to periodically reviewing issues exposed to risks of misuse, we completed an audit of spare parts costing and sales processes in 2024. Important flaws in determining the costs and sales prices were shared with the relevant unit managers. As part of the purchasing cost audits, sales at a loss as well as materials and suppliers with excessive price increases were examined. The development areas were identified and shared as recommendations.

### Gifts and Entertainment

The Gifts and Entertainment Policy lays out the guidelines and standards that Otokar employees and executives, acting on behalf of the company, are required to follow when receiving or offering gifts to business partners, hosting guests or accepting an invitation, and similar activities.

[Click to view Otokar's Code of Ethics.](#)

[Click to view Otokar's Whistleblowing Policy.](#)

[Click To View Otokar's Anti-Bribery And Corruption Policy.](#)

[Click to view Otokar's Gifts and Entertainment Policy.](#)

Number of Notifications to the Ethics Line	2024
Number of Notifications Reported to the Ethics Line	36
Number of Notifications Concluded	36





# COMPLIANCE

Otokar Compliance Policy demonstrates the company's commitment to defining a comprehensive and effective compliance framework and complying with laws and regulations, internal policies, best corporate governance practices and ethical rules. The Compliance Policy is binding on all Otokar employees and executives.

## Compliance Team and Activities

The Compliance Team, positioned under the Legal and Compliance Department, is supported by the Compliance Committee in its activities. The effectiveness of the compliance system is improved through discussions with the committee, which includes various department managers. Operational efforts contribute to awareness-raising activities, keeping compliance awareness on the company's agenda and achieving compliance with local and international legislations. Moreover, risk analysis systems are utilized to identify the current effectiveness of compliance policies.

Systematic risk analysis consists of identifying and assessing compliance risks, determining and monitoring the action plans for mitigation and evaluating their results. In 2024, we prioritized compliance risks related to bribery

and corruption, gathering information, reviewing documentation and performing analyses. We also conducted an internal survey on this topic with a total of 260 office and field employees. Following the survey, we held two separate group workshops with employees from different levels. We also organized an Impact and Probability Workshop with the participation of the Legal team, Corporate Communications Manager, Internal Audit Manager, Financial Affairs Director, the Finance, Risk Management and Investor Relations Director, Commercial Vehicles Domestic Marketing and Sales Director and Information Technology and Digital Information Technology department. During the workshop, the participants assessed the current situation and identified the related risks and development areas.

## Competition Law Compliance Policy

is an indication of Otokar's commitment to complying with competition law in its commercial activities and relations with its competitors. The policy lays out the principles and procedures regarding the execution of all activities in compliance with the competition law legislation. All Otokar employees and executives are required to adhere to the Competition Law Compliance Policy.

## Supply Chain Compliance Policy

provides guidelines for sharing our core principles and values with our business partners and communicating the standards they are expected to meet. In selecting suppliers and monitoring them, we aim to serve as a guide. This policy is an integral part of Otokar's Code of Ethics and is binding on all our business partners.

## Compliance in Community Investments

We recognize that our operations impact our stakeholders, the environment and society as a whole, and take responsibility for sustainable development. The Community Investment Policy demonstrates our commitment to contributing to the welfare of our communities and the sustainable development of the environment. We ensure that our community investments align with Otokar's Code of Ethics, Human Rights Policy, Donation and Sponsorship Policy, Anti-Bribery and Anti-Corruption Policy and other relevant company policies.

## Sanctions and Export Controls

As part of our commercial activities, we fulfil our obligations to comply with the economic sanctions and export controls

imposed by the Republic of Türkiye, United Nations, the United States of America, European Union and other jurisdictions. Accordingly, we implemented a Sanctions and Export Controls Policy to define a clear framework for this matter.

## Prevention of Laundering the Proceeds of Crime, Financing of Terrorism and Weapons of Mass Destruction

We exercise zero tolerance to our employees engaging in, assisting or being a party to or actually participating in any activity that would directly or indirectly facilitate Laundering the Proceeds of Crime, Financing of Terrorism and Weapons of Mass Destruction, lead to the possibility of unlawful concealment of the nature of transactions or result in generating proceeds of crime.

[Click to view Otokar's Compliance Policy.](#)

[Click to view Otokar's Competition Law Compliance Policy.](#)

[Click to view Otokar's Supply Chain Compliance Policy.](#)

[Click to view Otokar's Community Investment Policy.](#)

[Click to view Otokar's Sanctions and Export Controls Policy.](#)



# Supply Chain Management

## Supply Chain Management Approach

At Otokar, we evaluate all national and global supply alternatives, giving priority to local suppliers, to remain competitive in both domestic and international markets. We have developed a highly effective communication system that enables harmony and information sharing to facilitate our ongoing cooperation with our suppliers. We prefer to work with suppliers that invest in technological development and human resources and respect the environment and human health. We also support the development of our existing suppliers in these areas. We establish long-term business relationships with companies that are capable of delivering quality products on time and in competitive terms, prioritize research and development to specialize in their respective fields, manufacture in national and international environmental and occupational safety standards and adopt a contemporary management approach.

Our Purchasing Policy is disclosed publicly on our corporate website. The objective of this policy is to establish, maintain and develop long-term business relationships based on mutual trust and cooperation with current and prospective business partners in alignment with the general policies and strategies of Koç Holding and Otokar, in accordance with UN Global Compact and following Koç Holding's Purchasing Management System guidelines.

The objective of the Supply Chain Compliance Policy is to communicate Otokar's core principles and values to the suppliers by creating a roadmap for the standards they need to follow. With this policy, we also aim to provide guidance in the supplier selection and monitoring processes.

All Otokar employees and managers are required to adhere to this policy, which is an integral part of Koç Group's and Otokar's Codes of Ethics. Otokar expects all its business partners to adhere to

Supply Chain Metrics	2022	2023	2024
Local Sourcing Ratio (%)	45	48	53
Total Number of Supplier	1,456	1,426	1,431
Number of Local Supplier	1,178	1,130	1,143
Local Supplier Ratio (%)	81	79	80

*Note: 2023 figures are nominal values.*

this policy, to the extent applicable for the respective business, and takes the necessary steps to ensure compliance.

We select our business partners according to criteria such as technical competence, product and service quality, pricing, corporate reputation and financial soundness. Engagement with all business partners requires acting in accordance with a set of criteria listed below:

- Laws and regulations
- Anti-bribery and anti-corruption, prevention of laundering the proceeds of crime, financing of terrorism and weapons of mass destruction
- Human rights
- Health and safety
- Environment
- Compliance with code of ethics and international conventions
- Conflicts of interest
- Reporting
- Training and development
- Management systems

We also assess compliance risks through a risk-based approach, which involves the adoption of the following conditions:

- Taking the necessary measures to effectively manage risks associated with sanctions and export control regulations.
- Ensuring that business partners are not sanctioned directly or indirectly, and that they bear no negative intelligence, including bribery, corruption, laundering the proceeds of crime, financing of terrorism and weapons of mass destruction, human rights violations, etc.
- Auditing the business partners as needed to ascertain their compliance with Otokar Code of Ethics, applicable legislation, guidelines for business partners and contractual obligations.
- Providing the necessary training to business partners as needed to ensure compliance with applicable standards.

[Click to view Otokar's Purchasing Policy.](#)

[Click to view Otokar's Supply Chain Compliance Policy.](#)



## Supplier Relations

Our main suppliers consist of partners supplying materials and components, while providers of various services, starting with logistics, are also included in the supplier portfolio. In the supplier selection process, criteria such as competitiveness and compliance with global standards and the financial, commercial, operational processes along with social, environmental and economic performance are used to evaluate the candidates. Suppliers that meet the criteria are collected in the supplier pool and all purchases are made from this pool.

Meanwhile, supply chain risks and their management remained a key focus area. In 2024, we worked with 1,431 suppliers, including 1,143 local companies, for direct and indirect procurements.

We leverage working models such as VMI (Vendor Managed Inventory), BTO (Build to Order), Kanban and JIT (Just in Time) to ensure efficiency in sourcing. MilkRun collection programs, introduced to support these processes particularly in local sourcing, have been ongoing since 2009. During the Otokar Supplier Days event organized with the Istanbul Chamber of Commerce, we came together with representatives from 65 supply industry companies to explore new partnership opportunities.

We organized online trainings to ensure our supply chain's compliance with ESG requirements. 28 suppliers took the training.

We signed a cooperation agreement with Sakarya University for a TÜBİTAK-3005 project, titled "Developing Innovative Policies with the Progress Model for the Automotive Supply Industry in the Process of Compliance with the European Green Deal," which was awarded a grant. As part of this project, which also included our Supplier Sustainability Survey, faculty members from Sakarya University participated in the training and provided information about the project.

Environmental and Social Criteria for Supplier Selection	2022	2023	2024
Ratio of new suppliers selected according to environmental criteria (%)	100	100	100
Ratio of new suppliers selected according to social criteria (%)	100	100	100

Environmental Inspections at Suppliers	2022	2023	2024
Suppliers audited according to environmental criteria	38	27	30
Suppliers identified as having negative environmental impact (actual or at risk of occurrence)	0	0	0
Supplier contracts terminated due to environmental reasons	0	0	0

Social Audits at Suppliers	2022	2023	2024
Suppliers audited according to social criteria	38	27	30
Suppliers identified as having negative social impact (actual or at risk of occurrence)	0	0	0
Supplier contracts terminated due to social reasons	0	0	0

## Environmental and Social Parameters for Supplier Selection and Audits

We monitor our suppliers' compliance with Otokar's operating principles and standards through audits. In this process, we evaluate the performance of our suppliers by various criteria, including quality, logistics, cost, environment, working norms and human rights and occupational safety practices. UN Global Compact forms the main framework of this evaluation process. In audits conducted with a risk-based approach, suppliers that are signatories of the UN Global Compact and suppliers who hold ISO 14001, OHSAS 45001, ISO 9001 certifications are categorized as the low risk group. The scope of the audits includes compliance with environmental working norms, respecting human rights, including not using forced

labor, child labor or illegal labor and business ethics. Based on the audit results, a development plan is prepared for the suppliers. The goal is to increase the level of implementation.

The Business Ethics Self-Assessments, introduced in 2022 for local suppliers, continued in 2024. This assessment addresses criteria such as employment, occupational health and safety, discrimination, disciplinary practices and protection of personal data (KVKK). Based on the assessments performed by participating suppliers, no non-compliance was detected in 2024. We plan to incorporate Business Ethics Assessments into Social and Environmental Audits in 2025.





# FOR PEOPLE

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# EMPLOYEE EXPERIENCE

## Employee Engagement

### Human Resources Approach

At Otokar, we aim to attract highly qualified talent to the company and to ensure the loyalty of our current employees. For this purpose, we support them by implementing contemporary human resources policies that create an equitable, reliable and peaceful work environment, free from discrimination against religion, language, race and gender without compromising ethical values. The objective of the Human Resources Policy is to be the employer of choice in the industry and to sustain this level of success. This can be achieved by creating an environment that makes employees proud and by developing their knowledge, skills and competencies, which enable them to consistently demonstrate high performance by unlocking their potential.

We believe that employee happiness and loyalty will bring success in professional life and foster the high motivation and continuous development of our employees. Providing a fair, equitable and respectful work environment where employee rights are protected, we adopt a management approach with people at the center.

### Recruitment Processes

We aim to build a creative, innovative and qualified workforce, open to newness and aligned with the company's goals. In 2024, we added 482 new employees to our workforce, including 49 for the R&D Center. As a result, the number of R&D employees reached 639. In 2024, we were recognized by Sakarya Chamber of Commerce and Industry (SATSO) with an award as the employer to provide the highest number of jobs with social security in the province of Sakarya.



Employee Engagement Metrics (Otokar)	2022	2023	2024
Number of Employees	3,298	4,393	3,772
Employee Turnover (%)	34	23	29
Unwanted Turnover Rate (%)	8.0	12.5	5.5
Employee Engagement Score	73	72	83
Number of Club Activities Organized	16	30	18
Well-being Activities	0	9	8
Number of Participants in Private Pension System	2,271	2,620	2,820

Employee Engagement Metrics (Regions) (2024)	Türkiye	UAE	Italy	France	Kazakhstan	Romania	Total
Number of Employees	3,665	3	20	44	0	40	3,772
Employee Turnover (%)	27	0	25	8	-	29	29
Unwanted Turnover Rate (%)	4		25	8	-	29	5.5



Employee Figures (Otokar)	2022	2023	2024
<b>Employees by Gender</b>			
Number of Female Employees	178	209	240
Number of Male Employees	3,120	4,154	3,532
Total Employees	3,298	4,393	3,772
<b>Employees by Contract Type</b>			
Number of Permanent Female Employees	177	208	236
Number of Permanent Male Employees	2,765	3,332	3,471
Total Permanent Employees	2,878	3,492	3,707
Number of Temporary Female Employees	1	31	4
Number of Temporary Male Employees	355	782	61
Total Temporary Employees	356	813	65
<b>Employees by Type of Employment</b>			
Number of Full Time Female Employees	178	239	240
Number of Full Time Male Employees	3,120	4,154	3,532
Total Full Time Employees	3,298	4,393	3,772
Number of Part Time Female Employees	0	0	0
Number of Part Time Male Employees	0	0	0
Total Part Time Employees	0	0	0
<b>Field Employees</b>	2,437	3,413	2,872
<b>Office Employees</b>	861	980	900

Employees by Category (Otokar)	2024
<b>Employees with Monthly Salary</b>	
Women with Monthly Salary	183
Men with Monthly Salary	717
Total Employees with Monthly Salary	900
Full Time Monthly Paid Employees	900
Part Time Monthly Paid Employees	0
<b>Employees with Hourly Salary</b>	
Hourly Paid Women	57
Hourly Paid Men	2,815
Hourly Paid Total Employees	2,872
Full Time Hourly Paid Employees	2,872
Part Time Hourly Paid Employees	0
<b>Gender Distribution</b>	
Total Female Employment Ratio (%)	6
Total Male Employment Ratio (%)	94
Annual Average Female Employee Number	247
Annual Average Male Employee Number	3,916
<b>Number of Disabled Employees</b>	
Disabled Female Employees	17
Disabled Male Employees	102
Total Disabled Employees	119
<b>Trade Union Representation and OHS Structures</b>	
Number of Employees with a Position In Trade Unions	25
Number of Employees with a Position In Employer Associations	1
Employees in Workplaces without an OHS Committee or Equivalent Structure (such as Union Representation or Labor Relations Board)	0





Subcontractor Employees	2022	2023	2024
Cleaning	153	161	160
Security	64	57	68
Kitchen	94	128	116
Other	33	36	33
Total	344	382	377

Subcontractor Employees by Gender	2024
Female Subcontractor Employees	124
Male Subcontractor Employees	253
Total Subcontractor Employees	377

*Note: There are no subcontractors at subsidiaries.*

New Recruitment Figures (Otokar)	2022	2023	2024
<b>Total New Hires</b>	2,084	2,210	482
New Hires (Office Employees)	200	223	94
New Hires (Field Employees)	1,884	1,987	388
New Hires (Disabled Employees)	36	72	18
New Interns	160	255	316
<b>Total New Recruitment Ratio - % (Total New Hires/Total Employees by Year-end)</b>	63	51	13



New Recruitment Figures incl. Subsidiaries (2024)	Türkiye	UAE	Italy	France	Kazakhstan	Romania	Total
Total New Hires	441	0	6	10	0	25	482
New Hires (Office Employees)	89	0	2	3	0	0	94
<b>New Hires (Field Employees)</b>	352	0	4	7	0	25	388
New Hires (Disabled Employees)	18						18
New Interns	316	0	0	0	0	0	316
<b>Total New Recruitment Ratio - %</b> (Total New Hires/Total Employees by Year-end)	12	0	0	0	0	0	13

Employee Turnover (Otokar)	2022	2023	2024
<b>Employees Leaving the Company</b>	1,056	1,118	1,110
<b>Employee Turnover Rate (%)</b> (Total Employees Leaving the Company/ Total Employees by Year-end)	33	26	29

Note: Employment contract terminations are included in turnover figures.

Employee Turnover incl. Subsidiaries (2024)	Türkiye	UAE	Italy	France	Kazakhstan	Romania	Total
<b>Employees Leaving the Company</b>	1,092	0	5	3	-	10	1,110
<b>Employee Turnover Rate (%)</b> (Total Employees Leaving the Company/ Total Employees by Year-end)	30	-	25	7	-	25	29



## Youth Employment

In 2024, we recruited 207 high school students and 124 university students as interns. Those who complete the Vocational School Internship Program are employed at Otokar.

### Holistic Approach To Employee Engagement

Employee satisfaction is a key priority for the Internal Communications and Employee Experience team under the Human Resources Department, which adopts a holistic approach to this matter. As part of this approach, we continuously strive to improve employee satisfaction and experience on all levels, leveraging the ideas submitted via the instant suggestion system. Thanks to these efforts, we improved our employee engagement score by 11 points to 83% in 2024. This score placed us among the companies with the highest engagement rates within the Koç Group and the Koç Holding Automotive Group. Based on independent audits, we also ranked among four companies within the Koç Group to receive the Distinguished Workplace Award. Furthermore, we were recognized with the Great Place to Work certification for our efforts to enhance employee experience and engagement.

### Supporting Social Life

At Otokar, we shape the work environment and practices to foster our employees' healthy work-life balance. Events such as employee club activities, internal celebrations, sports tournaments and nature walks are organized for

the entire Otokar family to participate, supporting the employees' social life and strengthening employee communication. In 2024, we held 18 events with employee clubs and employees' families.

As members of the Koç Group, Otokar employees benefit from KoçAilem, a platform that offers various privileges, including discounts across Türkiye in all areas of life, from shopping and travel to education and art. They are also offered regional deals specific to Sakarya and İzmit such as discounts at partnering companies in healthcare, sports, entertainment and education.

All new employees starting at Otokar are offered guesthouse facilities to support their accommodation in and around Sakarya.

### Employee Benefits Remuneration System

At Otokar, employee remuneration is based on performance. We apply objective methods in remuneration to eliminate all kinds of bias. In determining remuneration policies, opinions and research of independent expert organizations are utilized. The principles specified in the Remuneration Policy for Otokar Board of Directors and Senior Executives are followed in the remuneration of Board members and senior executives with administrative responsibilities in accordance with CMB regulations.

## Otokar's Employee Benefits Include:

- Footwear vouchers twice a year
- Boxes of candy gifted on religious holidays
- Grocery store coupons in Ramadan
- Company vehicles allocated for external assignments
- Towels and soap gifted twice a year
- Gifts on International Women's Day
- Travel expenses for job assignments on the weekends and public holidays
- Financial assistance in marriage, birth and death of a next of kin
- Tuition assistance for children in primary and middle schools
- Birthday gifts
- Newborn baby gift
- Daycare assistance
- Annual leave allowance
- Holiday allowance twice a year
- Covering employee's share of the medications provided by workplace physicians
- Monthly domestic fuel assistance
- Personal liability insurance
- Foundation private health insurance or supplementary health insurance with employee contribution
- Modems and Token Flex meal vouchers for remote workers
- Employer contribution to the private pension system (BES), which more than half of Otokar employees have joined
- Foundation membership, Foundation Private Health Insurance and Koç Ailem membership for permanent employees





Payments to Employees – Otokar (TL million)	2023	2024
Employee Salaries	2,200	2,964
Employee Benefits	1,580	2,345
Payments to the State on Behalf of the Employees	1,112	1,734
Other Payments	76	116

Payments to Employees incl. Subsidiaries (2024) (TL million)	Türkiye	UAE	Italy	France	Kazakhstan	Romania	Total
Employee Salaries	2,709	22	57	139	-	38	2,964
Employee Benefits	2,336		1	1	-	7	2,345
Payments to the State on Behalf of the Employees	1,734	-	-	-	-	-	1,734
Other Payments	111	4	1	0.17	-	-	116

Private Pension	2023	2024
Number of Participants	2,620	2,820
Employees' Contribution (TL million)	70.8	111.4
Otokar's Contribution (TL million)	69.7	110.7

Note: Private pension is not offered abroad.



## Occupational Health and Safety

### Occupational Health And Safety Approach

In line with our primary mission and in our efforts to attain our strategic goals and capture a competitive advantage, we view our workforce as our most valuable asset, as stated in the Occupational Health and Safety Policy. Koç Group Occupational Health and Safety Policy, Koç Group OHS Management System Procedure and Koç Group Standards guide us in our OHS endeavors.

To create a healthy and safe work environment, Otokar commits to providing the necessary resources and:

- Following the developments related to OHS, complying with applicable laws and regulations, fulfilling our contractual obligations.
- Identifying the occupational health and safety risks of our operations, analyzing the causes, context and risks, taking the necessary precautions, creating opportunities and adopting preventive approaches to address potential workplace accidents and occupational diseases and eliminate hazards.
- Engaging in the necessary training and informative activities to ensure that employees and anyone else who is on site for work, internship or visit purposes are aware of their individual or business responsibilities.
- Creating an environment where the employees, employee representatives and stakeholders may interact and participate in OHS-related activities, working to build an OHS culture.
- Operating in accordance with the requirements of the OHS Management System, setting targets and designing management programs using the best technologies to continuously improve this system and its performance, monitoring the results.
- Working toward the zero accident target.

Occupational Health and Safety Metrics	2022	2023	2024
Number of Field Inspections	267	185	605
Number of Corrective Actions	2,161	2,056	2,605
OHS Committee Meetings	12	12	12
Contractor Occupational Safety Committee Meetings	6	6	6
OHS Training Hours (person*hour)	40,092	37,243	23,028
OHS Training for Subcontractor Employees (person*hours)	60	152,5	244,5
Injury Rate (per million hours)	5.4	7.7	6.0
Workplace Accident Rate	7.7	9.3	7.8
Fatal Accident Rate	0	0	0
Occupational Disease Cases	0	0	0

### Occupational Health And Safety Practices

Occupational health and safety is addressed in accordance with ISO 45001 Standard and Otokar OHS Policy. The employees participate in occupational health and safety processes through the OHS Committees, helping to mitigate the risks and enhance performance. During the regular OHS Committee Meetings, accident indicators are evaluated, accident causes are analyzed and the measures taken are shared. The Otokar OHS system, which has undergone internal and external audits as of the end of 2024, covers all Otokar employees, subcontractor employees and our permanent suppliers.

[Click to view Otokar's Occupational Health and Safety Policy.](#)



## OHS Management

The Occupational Health and Safety Unit, responsible for OHS management, consists of occupational safety specialists, workplace physicians and auxiliary health personnel. The Occupational Health and Safety Unit is positioned under the Human Resources Department, which reports directly to the General Manager.

The employees participate in the occupational health and safety processes through OHS Committees, which work on mitigating the risks and enhancing performance. Five OHS Committees operate at Otokar sites. 14 members of these committees, which consist of 40 members in total, are direct employee representatives. Pursuant to the Occupational Health and Safety Law, union representatives are also appointed as employee representatives. At the regular OHS Committee Meetings, where union representatives directly express their opinions and suggestions, accident metrics are evaluated, their causes are analyzed and measures are discussed. During the year, Occupational Health and Safety Committees convened 12 times and the Subcontractor Occupational Safety Committees six times.

We take all necessary measures to create a healthy and safe environment for anyone who is on plant site for work, internship or visit purposes. In 2024, as a result of the 605 field inspections, 2,605 corrective actions were initiated and reported to Senior Management. In 2024, no fatalities occurred due to workplace accidents or occupational diseases.

The occupational health and safety provisions in the Collective Labor Agreement contain clauses parallel to the requirements of the Occupational Health and Safety Legislation. The Collective Labor Agreement specifies the course of action to be followed in the event

of non-compliance with occupational health and safety guidelines at the workplace.

To mitigate occupational health and safety risks and increase performance, we set monthly and annual OHS targets and make work plans for the employees and units. OHS performance is reported to the relevant units on a monthly basis and evaluated at the annual Management Review Meetings.

Employees may communicate their opinions and suggestions regarding occupational health and safety and the risky situations they observe to the relevant managers via the intranet. The relevant people in charge respond to all such reports. Incident reports received via the risk information system are directly forwarded to Occupational Health and Safety Specialists for immediate action. Furthermore, we take measures to ensure that the individuals reporting workplace accidents and occupational diseases do not face any retaliation in accordance with applicable laws and regulations and the organizational structure.

At Otokar, occupational health services (such as physician, ambulance, insurance) include occupational healthcare (pre-employment physicals, periodic examinations and tests, monitoring the work situation according to the examination results, monitoring the employees with chronic diseases, pregnant employees and those in risk groups, risk assessments, occupational health training, hygiene inspections, water analyses) specified in the duties, powers and responsibilities of the workplace physician and other healthcare staff, 24-hour emergency service, prescription and supply of medicines, wellbeing (dietician, psychological support and screenings at KETEM Early Cancer Screening, Diagnosis and Education Centers, seminars and training programs).

In 2024, our employees benefited from primary healthcare services, including 26,772 polyclinic examinations, first aid and outpatient treatments. In the periodic examinations, in addition to routine examinations, cardiovascular risk assessment criteria for physical activity recommended by the General Directorate of Public Health were applied and employees identified in the risk groups were referred to the cardiology outpatient clinic for further examination and treatment. With the support of KETEM, cancer screening was rescheduled for those who were unable to participate in the National Cancer Screening Program in 2023. The World No Tobacco Day Seminar and Alcohol and Substance Addiction Seminars were organized with support from the Provincial Health Directorate and AMATEM. In 2024, the Health Unit organized face-to-face dietician service for 476 employees and face-to-face psychological counseling at the workplace for 193 employees.

For the purpose of protecting patients' information, non-disclosure agreements are signed with the prospective service providers during the technical specification phase. A physician at the clinic has been appointed as the PDP officer to monitor compliance with personal data protection regulations. In the recruitment and periodic examinations, the health results are sent only to the relevant person.

In case of a non-work related health problem, employees may apply to the clinic for examination. If the workplace physician deems it necessary, treatments such as injections, blood pressure measurements, oral or topical medications may be applied by other healthcare staff. If the workplace physician writes a prescription (unless the patient requests otherwise), the medications are procured by the clinic from a partner pharmacy and dispensed to the patient. If the medication is not fully covered by the Social Security Institution, the price difference is covered by the employer.





### OHS Training

Ensuring that employees are aware of occupational health and safety is at least as effective as management strategies in preventing workplace accidents and adverse health situations. To improve occupational health and safety performance, we provide OHS training to both company employees and subcontractor employees. In 2024, Otokar employees received 23,028 hours and subcontractor employees 244,5 hours of occupational health and safety training. Throughout the year, 1,309 employees participated in 12 hours of Onboarding and OHS Refresher Training.

The scope of the occupational health and safety training for the employees include the following:

**General Topics:** Information on labor laws, legal rights and responsibilities of the employees, workplace cleanliness and order, legal consequences of workplace accidents and occupational diseases.

**Health Topics:** Causes of occupational diseases, principles of disease prevention and preventive techniques, biological and psychosocial risk factors, first aid, harms of tobacco products and passive exposure,

**Technical Topics:** Chemical, physical and ergonomic risk factors, manual lifting and carrying, flash, explosion, fire and fire protection, safe use of work equipment, working with tools with screens, electricity hazards, risks and precautions, causes of workplace accidents and applying protection

principles and techniques, safety and health signage, use of personal protective equipment, general occupational health and safety rules and safety culture, evacuation and rescue.

**Other Topics:** PPE and risk matrix, eye protection, use of personal protective equipment, safe use of grinders and cranes, safe work inside warehouses, OHS in vehicle loading and unloading, safe use of lifting and carrying equipment, hearing protection, safe work under the vehicle, safe use of manual pallet trucks, EJC safe use rules, safe use of forklifts, safe use of hammers, use of vehicle lifts and support legs, chemical substance use training, daily checks of lifting and carrying equipment, OHS in maintenance activities, body loading operation, precautions before, during and after earthquakes, preventing stresses and injuries in manual carrying and lifting, safety in working with hand tools, safety in using box cutters, safety in using manual drills, safe use of personnel lifting equipment, safe use of radial-column drills, elements that may cause slips, trips and falls, working with materials with sharp, pointed corners and edges, avoiding damaged and defective hand tools, general work at height, what to do in emergencies, nozzle cleaning.

Regarding non-work-related chronic diseases, we organize seminars and screening programs (such as Heart Health Seminar, Addiction Seminar, Breast Cancer Seminar, KETEM screening), encourage participation and provide guidance according to the results.





### Workplace Accidents And Occupational Diseases

The most frequent causes of workplace accidents at Otokar include being cut by an object, collision with a fixed object or person, falling parts, burr splashing, excessive muscle strain and liquid chemical splashes, objects or parts flying off.

At Otokar, major and minor incident investigation teams conduct root cause analyses. Accordingly projects are developed and actions are defined by referencing the diversification matrix to prevent workplace accidents. We also aim to prevent future accidents by spreading information and practices across the organization and enhancing the areas where the same accident may incur.

We identify physical, chemical, biological, ergonomic and psychosocial, etc. risk factors that may cause occupational diseases through risk assessments. To mitigate these risks, we employ a variety of methods, including engineering, administrative, personal protection, environmental and personal exposure measurements, occupational health training and inspections. We also monitor our employees through pre-employment physicals and periodic checkups for early diagnosis of potential medical conditions.



Workplace Accidents – Otokar Employees	2022	2023	2024
Ratio of fatal workplace accidents *	0	0	0
Ratio of workplace accidents resulting in serious injury (excluding fatalities)	12.55	20.53	5.99
Ratio of workplace accidents	17.22	29.11	7.83
Total hours worked	6,851,341	8,621,874	8,684,016

\* Ratio=number of incidents/hours worked x 1 million

Workplace Accidents – Subcontractor Employees	2022	2023	2024
Ratio of fatal workplace accidents *	0	0	0
Ratio of workplace accidents resulting in serious injury (excluding fatalities)	0	0	27
Ratio of workplace accidents	1.55	0	13.09
Total hours worked	1,294,364	1,064,805	1,222,007

\* Ratio=number of incidents/hours worked x 1 million

Occupational Diseases – Otokar Employees	2022	2023	2024
Ratio of fatal occupational diseases	0	0	0
Ratio of occupational diseases	0	0	0

Occupational Diseases – Subcontractor Employees	2022	2023	2024
Ratio of fatal occupational diseases	0	0	0
Ratio of occupational diseases	0	0	0



# MANAGING HIGH-POTENTIAL EMPLOYEES

We believe that providing a development-focused work environment plays an important role in individual success and motivation as well as achieving collective business success. Training and development activities contribute significantly to both employee motivation and Otokar's future success. In line with the primary objectives of the Human Resources Policy, we create various learning opportunities to equip employees with new knowledge and skills and improve their competencies.

We adopt a talent management approach that aims to ensure that the right person is placed in the right position, personal performance is measured and assessed accurately and objectively and employees are provided with the necessary professional knowledge and skills by planning their career paths accordingly. The employee development roadmap is created on the basis of assessments and planning interviews conducted during the performance appraisal process.

Managing High-Potential Employees (Otokar) – Metrics	2022	2023	2024
Ratio of Employees with Master's/Ph.D. Degrees (%)	7.6	5.8	6.5
Ratio of High-potential Employees (%)	39.8	47.2	37.9
High-potential Employee Turnover Rate (%)	8.9	9	11
Ratio of Employees in STEM Positions (%)	16.6	14.7	14.6
Number of STEM Projects (Internships/Scholarships/Workshops)	0	0	1
Ratio of Employees Under 30 (%)	35	44	40
Number of Young Talent Program Participants	90	114	116
Number of Employees Benefiting from the Leadership, Mentoring and Coaching Programs	0	31	26
Number of Employees Receiving Training	4,322	5,005	4,605
Total Training Hours*	100,415	104,476	92,278
Training Hours per Person	31	24	46
Resources Allocated for Training (TL million)	-	19.3	43.2
Professional Qualification Certificates Obtained	1,086	503	411
Ratio of Employees Undergoing Performance Appraisal (%)	73	71	100
Number of Implemented Suggestions	1,749	1,784	1,500

\*: Includes OHS trainings and employee trainings.

Managing High-Potential Employees (incl. Subsidiaries) – Metrics (2024)	Türkiye	UAE	Italy	France	Kazakhstan	Romania	Total
Ratio of Employees with Master's/Ph.D. Degrees (%)	6.3	0	5.0	13.6	-	20.0	6.5
High-potential Employee Turnover Rate (%)	11	-	-	-	-	-	11
Ratio of Employees in STEM Positions (%)	15.0	0	0	0	0	0	14.6
Number of STEM Projects (Internships/Scholarships/Workshops)	1	0	0	0	0	0	1
Ratio of Employees Under 30 (%)	41	0	20	7	0	18	40
Number of Young Talent Program Participants	116	0	0	0	0	0	116
Number of Employees Benefiting from the Leadership, Mentoring and Coaching Programs	26	0	0	0	0	0	26
Number of Employees Receiving Training	4,601	0	0	2	0	2	4,605
Resources Allocated for Training (TL million)	43.2	0	0	0	0	0	43.2
Professional Qualification Certificates Obtained	411	0	0	0	0	0	411
Number of Implemented Suggestions	1,500	0	0	0	0	0	1,500





### Training Programs

We continuously support our employees with internal and external face-to-face and online training along with development programs created by Koç Holding and Koç University. Using the OtoRota Training Catalogue, we planned 30 group trainings - three agile, 18 personal development and nine professional development programs – in 2024, reaching 589 Otokar employees. Training on topics such as agile transformation, English language, leadership, employee engagement, digital literacy and internal trainer instruction amounted to 92,278 hours. Additionally, 411 Vocational Qualification Certificates in various areas of expertise were obtained for field workers. New employees received “Development Journey” training. Otokar employees also took various training from internal trainers and benefited from coaching support in 2024.

### Suggestion System

Employee participation in company management and decision-making processes is a valuable experience. We recognize that seeking the opinions and suggestions of our employees and using them in determining strategies and making decisions may make a difference, while also supporting their development. Accordingly, we use the Otokar Suggestion System to obtain employees' opinions. Employee suggestions are assessed by the Suggestion Evaluation High Committee, and viable suggestions are duly implemented.

### Performance Appraisals

Employee performance is evaluated with fair and systematic measurement tools. After performance appraisals are completed with interviews at the end of the year, individual feedback is provided to the employees. In 2024, 100% of Otokar employees received feedback about their performance.

Training Hours per Person	2022	2023	2024
Female Employees	46.14	44.34	53
Male Employees	30.24	23.18	41.1
Senior Executives	4.29	3.14	2.3
Managers	49.01	50.62	41
Non-managerial Positions	29.51	22.72	34.9
Average	31.05	24.25	45.8

Training Hours per Person, incl. Subsidiaries (2024)	Türkiye	UAE	Italy	France	Kazakhstan	Romania	Total
Female Employees	53	0	0	0	0	0	53
Male Employees	21.3	0	0	7.65	0	12.15	41.1
Senior Executives	2.3	0	0	0	0	0	2.3
Managers	33	0	0	7.65	0	0	41
Non-managerial Positions	22.8	0	0	0	0	12.15	34.9
Average	26	0	0	7.65	0	12.15	45.8

Suggestions	2022	2023	2024
Number of Employees Submitting Suggestions	1,241	1,520	1,648
Number of Suggestions Submitted	3,159	3,721	1,158
Number of Suggestions Implemented	1,749	1,784	1,500
Financial Savings Achieved (TL million)	-	14.87	11

### Koç Academy

The e-learning platform, Koç Academy, features various online training topics, including business, culture and arts, leadership, wellness and technology. Otokar employees are offered the opportunity to benefit from this platform to develop their skills in their free time.

### Excite

Excite is the mobile feedback system launched in September 2021 to improve the employee experience culture at Otokar. The system enables employees to communicate their needs anonymously and find quick solutions to relevant issues.



# HUMAN RIGHTS AND FAIR WORK

## Human Rights

### Human Rights Approach

Guided by the Universal Declaration of Human Rights, we adopt a human rights approach respecting all our stakeholders. Creating and maintaining a positive and professional work environment for our employees is a fundamental principle for us. We follow global ethical principles in matters such as recruitment, promotion, career development, wages, benefits and diversity, respecting the rights of our employees to establish and join non-governmental organizations of their own choosing. We do not tolerate any form of forced labor, child labor, discrimination and harassment.

We respect the rights of our employees, shareholders, business partners, customers and all others affected by our products or services in relation to our activities. We treat all employees with integrity and fairness, assuming responsibility for providing a safe and healthy work environment where human dignity is respected without discrimination. We may also apply additional standards for vulnerable groups that are more likely to be exposed to human rights violations. As stated in the UN Guiding Principles on Business and Human Rights, we consider the special conditions of groups whose rights are described in more detail in United Nations documents (indigenous people, women, ethnic, religious and linguistic minorities, children, disabled people, migrant workers and their families).

Koç Holding is a signatory to UN Global Compact, which is binding on Otokar's operations and value chain. At Otokar, we stand against child labor, forced labor, all forms of discrimination and harassment, never compromising this stance. We adopt and adhere to the following international standards and principles concerning human rights:

- UN Guiding Principles on Business and Human Rights (2011)
- UN Global Compact (2000)
- ILO Declaration on Fundamental Principles and Rights at Work (1998)
- UN Women's Empowerment Principles (2011)
- Worst Forms of Child Labor Convention (No. 182)
- OECD Guidelines for Multinational Enterprises (2011)

Otokar's commitments to human rights are clearly expressed in the policy under the following topics:

- Diversity and equal employment opportunities
- Prevention of discrimination
- Zero tolerance for child labor and forced labor
- Freedom of association and collective bargaining
- Health and safety
- Working hours and salaries
- Personal development
- Data privacy
- Political activities

Human Rights Metrics	2022	2023	2024
Human Rights Violations (incidents)	0	0	0
Ratio of Lowest Employee Wage to Minimum Wage (%)	125.9	125.9	125.9
Unionized Employees	2,418	3,413	2,822
Unionization Rate of Field Employees (%)	99.9	99.9	99.9
Employees with Assignments in Labor Unions	22	21	25
Unionization Rate of Employees (%)	75	78	77

Union Activities	2024
Number of Employees with a Position In Trade Unions	25
Number of Employees with a Position In Employer Associations	1
Employees in Workplaces without an OHS Committee or Equivalent Structure (such as Union Representation or Labor Relations Board)	0

[Click to view Otokar's Human Rights Policy.](#)



### Human Rights Practices

Human rights are among our core values and material sustainability topics. The Human Rights Policy, reflecting our human rights approach and standards, is binding for all Otokar employees and managers. Otokar's business partners are also expected to adhere to this policy.

Otokar adopts a people-centric management approach. Employees are provided with a fair, equal and respectful work environment where their rights are protected. No discrimination against race, gender, political affiliation, philosophical view, religion or sect is allowed at any stage of the human resources processes. Behaviors that can be defined as discrimination are not allowed. No incident of discrimination occurred during the reporting period. The Equal Pay for Equal Work approach forms the basis of employee compensation.

Ratio of Standard Starting Wage (or Lowest Wage) to Minimum Wage (Otokar)	2022	2023	2024
Ratio of the lowest female employee wage to minimum wage (%)	126.5	125.9	127.1
Ratio of the lowest male employee wage to minimum wage (%)	125.9	125.9	125.9

### Unionization Rights And Collective Bargaining

We respect the rights of employees, who are all free to exercise their unionization rights. As a result of this inclusive approach, 99.9% of field employees at Otokar are union members as of 2024. At Otokar, which has a high unionization ratio, the terms and conditions of the Collective Bargaining Agreement signed between Türk Metal and MESS apply to the employee-employer relations.

A constructive communication environment has been maintained with the labor unions throughout the year, and no loss of work or working hours due to strikes or similar practices has occurred.

### Human Rights at Otokar's Suppliers

Business partners are expected to adhere to Otokar Human Rights Policy in their commercial activities.

- **Employment:** Our business partners should ensure that their activities are not associated with child labor, forced labor or abuse at work. Otokar also expects its suppliers, distributors and authorized service centers to apply a "zero tolerance" approach to slavery and human trafficking in accordance with ILO Conventions and Recommendations, the Universal Declaration of Human Rights and UN Global Compact.
- **Compliance with Labor Laws:** Business partners are expected to comply with the labor laws applicable in the countries where they operate. The salaries should be determined competitively according to the respective sectors, the local labor market and in alignment with the terms of collective labor agreements, if any. All salaries and wages, including social benefits, should be paid in accordance with the applicable laws and regulations.
- **Prevention of Harassment and Violence:** Business partners are expected to provide a work environment free of violence, harassment and other unsafe and disturbing conditions resulting from internal and external threats. No form of physical, verbal, sexual or psychological harassment, bullying, abuse or intimidation will be tolerated.
- **Discrimination:** Business partners are expected to provide a work environment where no form of discrimination is allowed, employees are treated fairly and discrimination (against race, gender, color, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identity or political views) is not tolerated.
- **Freedom of Association and Collective Bargaining:** Business partners should respect the rights and freedom of their employees to join a union and bargain collectively without fear of retaliation.





# DIVERSITY, EQUITY AND INCLUSION

## Diversity, Equity And Inclusion Manifesto

### Our aim

We work to combat prejudices and remove barriers.

### We focus

We focus on gender equality, disability and generation gap.

### We believe

We believe that diversity, equality and inclusion are essential for a workplace where everyone is represented, able to thrive and be inspired, we work to provide this environment.

### We are determined

We are committed to promoting a culture where everyone is valued and included, where their individual differences, experiences, knowledge and unique talents can contribute to processes and where everyone's views are respected.

### We are accepting

We accept that by supporting the zero tolerance policy against discrimination, it will be our basic principle in all our business processes.

[Click to view the manifesto, published on our website.](#)

Diversity, Equity and Inclusion Metrics	2022	2023	2024
Total Number of Female Employees	163	218	240
Total Female Employment Ratio (%)	5.4	5.4	6
Female Executive Ratio (%)	11	9	38
Ratio of Female Employees in STEM positions (%)	15	15	16
Share of Women in New Hires (%)	2.2	4.3	8.0
Ratio of Women Returning to Work After Maternity Leave (%)	22	89	80
Ratio of Women Staying on the Job for 1 Year After Maternity Leave (%)	100	100	80
Gender Pay Gap for Managers (Female Employee Salary/ Male Employee Salary) %	92	97	92
Gender Pay Gap for Non-managers (Female Employee Salary /Male Employee Salary) %	95	95	96

Diversity, Equity and Inclusion Metrics, incl. Subsidiaries (2024)	Türkiye	UAE	Italy	France	Kazakhstan	Romania	Total
Total Number of Female Employees	217	0	5	8	0	10	240
Total Female Employment Ratio (%)	6	0	25	18	0	25	6
Female Executive Ratio (%)	38	0	0	0	0	0	38
Ratio of Female Employees in STEM positions (%)	16	0	0	0	0	0	16
Share of Women in New Hires (%)	8.0	0	17	20	0	0	8
Ratio of Women Returning to Work After Maternity Leave (%)	100	0	0	0	0	0	80
Ratio of Women Staying on the Job for 1 Year After Maternity Leave (%)	100	0	0	0	0	0	80
Gender Pay Gap for Managers (Female Employee Salary/ Male Employee Salary) %	96	0	0	55	0	0	92
Gender Pay Gap for Non-managers (Female Employee Salary /Male Employee Salary) %	95	0	119	80	0	90	96



## Diversity, Equity And Inclusion Processes

Guided by our Code of Ethics, we aim to offer equal opportunity on all levels and to ensure diversity and inclusion. We believe that achieving diversity, especially in decision-making mechanisms, would directly contribute to business performance.

In 2024, we continued to raise awareness within the organization as part of our diversity, equity and inclusion efforts. The infrastructure required to employ women on the field was completed, and we began to recruit female field workers.

In 2024, the number of female employees at Otokar was 240, corresponding to 6% of all employees and men accounting for 94%. Women constitute 21% of the Board of Directors and 38% of senior executives. Additionally, 10% of new hires and 3% of those leaving the company are women.

The necessary adjustments have been made in the workplace to improve the comfort and safety of disabled employees:

- Sign language training is organized to facilitate communication with hearing-impaired and deaf employees.
- Given the presence of lifting and transport equipment and vehicle movement at the plant, the uniforms of hearing-impaired and deaf employees were updated in different colors to increase their visibility by seeking their opinions and suggestions.
- With the Buddy program, disabled are assigned buddies to work together to ensure that they always have someone to rely on for evacuation in case of danger.
- Disabled employees are offered annual check-ups.

### Spektrum

Otokar formed the voluntary Diversity, Equality and Inclusion Committee - SPEKTRUM - to create a diverse, equal and inclusive work environment where human rights are respected and to build a corporate culture on these principles. The SPEKTRUM committee has already conducted a materiality analysis within the organization and identified the focus areas to address as gender equality, physical disability and generational discrimination. The results of these studies have been published as a manifesto. Furthermore, the employees received training on this topic. A dedicated function was created within the mobile app for the employees to enter their suggestions.





Female Employment Ratios by Position, incl. Subsidiaries (2024)	Türkiye	UAE	Italy	France	Kazakhstan	Romania	Total
Women's Representation on the Board (%)	22	33	20	0	25	0	21
Female Executive Ratio (%)	38	0	0	0	-	0	38
Female Manager Ratio (%)	12	0	0	40	-	0	12
Women in Non-managerial Roles (%)	6	0	25	15	-	26	22

Employment Ratios by Age Groups 2022	Under 30	Between 30-50	Over 50
Board Members (%)	-	12.5	87.5
Executives (%)	-	25	75
Managers (%)	0.4	83.4	16.2
Non-managerial Roles (%)	37	60	3

Employment Ratios by Age Groups 2023	Under 30	Between 30-50	Over 50
Board Members (%)	-	12.5	87.5
Executives (%)	-	29	71
Managers (%)	-	84	16
Non-managerial Roles (%)	48	50	2

Employment Ratios by Age Groups 2024	Under 30	Between 30-50	Over 50
Board Members (%)	0	16.67	78.95
Executives (%)	0	37.5	62.5
Managers (%)	0.5	87	13
Non-managerial Roles (%)	43	55	2

Employment Ratios by Age Groups, incl. Subsidiaries (2024)	Türkiye	UAE	Italy	France	Kazakhstan	Romania	Total
Under 30 (%)	41	-	20	7	-	18	40
Between 30-50 (%)	57	67	50	50	-	68	57
Over 50 (%)	2	33	30	43	-	15	3

Total Employment Figures by Age Groups, incl. Subsidiaries (2024)	Female	Male	Total	%
Under 30	77	1,449	1,526	40
Between 30-50	150	2,000	2,150	57
Over 50	13	83	96	3
Total	240	3,532	3,772	100





New Recruitment Figures, incl. Subsidiaries (by Gender, Age and Location)	2022	2023	2024
Newly Hired Female Employees	43	89	38
New Female Employee Ratio - % (New Female Employee Count /Year-end Female Employee Count)	26	41	16
Newly Hired Male Employees	2,033	2,116	444
New Male Employee Ratio - % (New Male Employee Count /Year-end Male Employee Count)	65	51	13
Newly Hired Employees Under 30	1,386	1,522	310
Ratio of New Employees Under 30 - % (Total New Employees Under 30/Year-end Total Employees Under 30)	126	100	20
Newly Hired Employees Aged Between 30-50	684	652	164
Ratio of New Employees Aged Between 30-50 - % (Total New Employees Aged Between 30-50/Year-end Total Employees Aged Between 30-50)	33	30	8
Newly Hired Employees Over 50	8	36	8
Ratio of New Employees Over 50 - % (Total New Employees Over 50/Year-end Total Employees Over 50)	5	38	8
Newly Hired HQ Employees	12	26	46
Ratio of New HQ Employees - % (Total New HQ Employees /Year-end Total HQ Employees)	11	20	32
Newly Hired Plant Employees	2,066	2,184	435
Ratio of New Plant Employees - % (Total New Plant Employees /Year-end Total Plant Employees)	65	51	12
Total Number of Newly Hired Employees	2,072	2,192	482
Ratio of Newly Hired Employees - % (Total New Employees/Year-end Total Employees)	64	51	13

New Recruitment Figures (by Gender, Age and Location), incl. Subsidiaries (2024)	Türkiye	UAE	Italy	France	Kazakhstan	Romania	Total
Newly Hired Female Employees	35	0	1	2	-	0	38
New Female Employee Ratio - % (New Female Employee Count /Year-end Female Employee Count)	16	0	20	25	-	0	16
Newly Hired Male Employees	406	0	5	8	-	25	444
New Male Employee Ratio - % (New Male Employee Count /Year-end Male Employee Count)	12	0	33	22	-	83	13
Newly Hired Employees Under 30	299	0	2	2	-	7	310
Ratio of New Employees Under 30 - % (Total New Employees Under 30/Year-end Total Employees Under 30)	20	0	50	67	-	100	20
Newly Hired Employees Aged Between 30-50	139	0	3	5	-	17	164
Ratio of New Employees Aged Between 30-50 - % (Total New Employees Aged Between 30-50/Year-end Total Employees Aged Between 30-50)	7	0	30	23	-	63	8
Newly Hired Employees Over 50	3	0	1	3	-	1	8
Ratio of New Employees Over 50 - % (Total New Employees Over 50/Year-end Total Employees Over 50)	5	0	17	16	-	17	8
Total Number of Newly Hired Employees	441	0	6	10	-	25	482
Ratio of Newly Hired Employees - % (Total New Employees/Year-end Total Employees)	12	0	30	23	-	63	13



Employee Turnover Rates (by Gender, Age and Location)	2022	2023	2024
Female Employees Leaving	27	34	38
Female Employee Turnover Rate - % (Female Employees Leaving/Year-end Female Employee Count)	17	16	16
Male Employees Leaving	1,029	1,084	1,072
Male Employee Turnover Rate - % (Male Employees Leaving/Year-end Male Employee Count)	34	27	30
Total Employees Leaving	1,056	1,118	1,110
Employee Turnover Rate - % (Total Employees Leaving/Year-end Employee Count)	33	26	29
Employees Leaving - Under 30	673	545	518
Employee Turnover Rate – Under 30 (%)	20,8	12,7	34
Employees Leaving - Between 30-50	367	454	447
Employee Turnover Rate – Between 30-50 (%)	11,3	10,5	21
Employees Leaving - Over 50	16	119	142
Employee Turnover Rate – Over 50 (%)	0,5	2,8	148
HQ Employees Leaving	6	8	36
HQ Employee Turnover Rate - %	13	17	25
Plant Employees Leaving	1,050	1,110	1,074
Plant Employee Turnover Rate - %	33	26	30

Employee Turnover Figures, incl. Subsidiaries	2024
Number of female employees who voluntarily resigned	12
Number of male employees who voluntarily resigned	216
Total number of employees who voluntarily resigned	228
Female employee who resigned within the first year	4
Male employee who resigned within the first year	176
Female employees volunteer turnover rate (%)	5
Male employees volunteer turnover rate (%)	6

Employee Turnover Rates (by Gender, Age and Location), incl. Subsidiaries (2024)	Türkiye	UAE	Italy	France	Kazakhstan	Romania	Total
Female Employees Leaving	37	0	1	0	-	0	38
Female Employee Turnover Rate - % (Female Employees Leaving/Year-end Female Employee Count)	17	0	20	0	-	0	16
Male Employees Leaving	1,055	0	4	3	-	10	1,072
Male Employee Turnover Rate - % (Male Employees Leaving/Year-end Male Employee Count)	31	0	27	8	-	33	30
Total Employees Leaving	1,092	0	5	3	-	10	1,110
Employee Turnover Rate - % (Total Employees Leaving/Year-end Employee Count)	30	0	25	7	-	25	29
Employees Leaving - Under 30	515	0	1	1	-	2	518
Employee Turnover Rate – Under 30 (%)	34	0	25	33	-	29	34
Employees Leaving - Between 30-50	435	0	4	1	-	8	447
Employee Turnover Rate – Between 30-50 (%)	21	0	40	5	-	30	21
Employees Leaving - Over 50	142	0	0	1	-	0	142
Employee Turnover Rate – Over 50 (%)	45	0	0	5	-	0	148



## GENDER EQUALITY

Recognizing the importance of adopting corporate approaches to ensuring gender equality, we engage in practices that promote women's employment and equality in professional life. Otokar is a signatory of the Declaration on Equality at Work, published by the Equality at Work platform, and Women's Empowerment Principles (WEPs), a joint initiative of UN Women and UN Global Compact.

To advance our diversity and equal opportunity practices, we also drafted and implemented the Board of Directors Diversity Policy. The target is for women's representation on the Otokar Board of Directors to reach 25% by the end of 2026. Currently, female members constitute 21% of the Otokar Board of Directors.

In the reporting period, targets were set for senior executives regarding the employment of hourly-paid female workers.

### Equal Pay for Equal Work

Remuneration is another area where the company promotes gender equality and adopts an Equal Pay for Equal Work approach in line with the relevant policies. Accordingly, there is no gender pay gap between people performing the same job. Salary differences between employees are based solely on factors such as individual performance and tenure at the company.

[Click to view Otokar's Board of Directors Diversity Policy.](#)

Gender Pay Gap (Average Female Employee Salary/Average Male Employee Salary)	2022	2023	2024
Gender Pay Gap - Managers (%)	92	97	92
Gender Pay Gap – Non-managerial roles (%)	95	95	96

Gender Pay Gap (Average Female Employee Salary/Average Male Employee Salary)	Türkiye	UAE	Italy	France	Kazakhstan	Romania	Total
Gender Pay Gap - Managers (%)	96	-	-	55	-	0	92
Gender Pay Gap – Non-managerial roles (%)	95	-	119	80	-	90	96

Indicators for Equality	2024
Number of Women in First-Level Manager Positions	3
Number of Men in First-Level Manager Positions	34
Number of Total Employees in First-Level Manager Positions	37
Number of Women in Mid-Level Manager Positions	23
Number of Men in Mid-Level Manager Positions	152
Number of Total Employees in Mid-Level Manager Positions	175
Number of Women in Senior-Level Manager Positions	3
Number of Men in Senior-Level Manager Positions	5
Number of Total Employees in Senior-Level Manager Positions	8

Indicators for Revenue-Generating Functions	2024
Number of Female Managers in Revenue-Generating Functions	4
Number of Male Managers in Revenue-Generating Functions	22





### Mother-Baby Practices

We offer opportunities to facilitate the lives of female employees with children, such as contributions for daycare. Otokar sites feature a dedicated room for women who are nursing, while plans are in place to increase the number of these rooms in the times to come.

Parental Leaves and Allowances	2024
Number of Female Employees Benefiting from Parental Leave	7
Number of Male Employees Benefiting from Parental Leave	243
Number of Total Employees Benefiting from Parental Leave	250
Number of Female Employees Returning to Work after Parental Leave	7
Number of Male Employees Returning to Work after Parental Leave	243
Number of Total Employees Returning to Work after Parental Leave	250
Number of Female Employees Benefiting from Childcare Allowances	51
Number of Male Employees Benefiting from Childcare Allowances	0
Number of Total Employees Benefiting from Childcare Allowances	51
Number of Female Employees Benefiting from Paid Parental Leave Beyond Legal Entitlement	0
Number of Male Employees Benefiting from Paid Parental Leave Beyond Legal Entitlement	0
Number of Total Employees Benefiting from Paid Parental Leave Beyond Legal Entitlement	0

*At Otokar, we are committed to voluntarily adhering to the following principles to eliminate gender discrimination and lead in spreading them across the country.*

1. We respect human rights and treat all our employees with the basic principle of equality.
2. We ensure the health, safety and wellbeing of our female and male employees without gender bias.
3. We specifically support women's participation in the workforce.
4. We define equal opportunity criteria for men and women in all our Human Resources policies.
5. We adopt an equal pay for equal work approach and follow the policy.
6. We establish the mechanisms needed to offer the employees and candidates equal career opportunities.
7. We define and monitor training policies and encourage women's participation in training programs.
8. We provide work environments and practices that enable work-life balance.
9. We announce developments regarding our equal opportunity plans and achievements through internal and external communications.
10. We ensure that the Equality at Work Declaration is spread across our ecosystem (business partners, suppliers).
11. We form a leadership team within the organization to follow up the issues in the Declaration.

An aerial photograph of a dense green forest. Overlaid on the forest is a large, transparent globe. The globe shows a mix of green landmasses and blue oceans. A road or path is visible winding through the forest, passing through the globe. The text 'FOR THE PLANET' is written in large, white, bold letters across the lower left portion of the image, underlined.

# FOR THE PLANET





## For The Planet Approach

Otokar designs and manufactures products and services, including buses and light trucks for the automotive industry, and tactical wheeled and tracked vehicles and turret systems for the defense industry. In all its design, development and manufacturing processes, Otokar considers the internal and external contexts, and the conditions, needs and expectations of all relevant parties with tailored solutions and environment-friendly sensibilities. Otokar defines the limits and applicability of the systems in detail in accordance with ISO 9001:2015, ISO 14001:2015, ISO 14064-1:2018 and AQAP 2110:2016 system documentation. Since Otokar Europe and Istanbul garage-services are owned by private individuals and organizations, these activities are outside the scope of the management system documentation.

At Otokar, we systematically monitor and contain our environmental impact through the Environmental Management Unit, established pursuant to Regulation on Environmental Management Unit and Environmental Consultancy Firms under the Environmental Law No. 2872, and authorized by the Ministry of Environment, Urbanization and Climate Change.

We take responsibility for sustainability by increasing the environmental awareness of the people, institutions and organizations in direct and indirect interaction throughout the product lifecycle, conserving biodiversity by fulfilling our environmental obligations toward our local and regional neighbors, and introducing improvements to continuously mitigate climate change with environmentally friendly processes and products.



### *As part of the Environmental Policy, Otokar:*

- Monitors environmental publications and complies with applicable laws and regulations.
- Strives to leave a cleaner and healthier environment sensitive to climate change for future generations.
- Monitors and contains environmental pollution by minimizing it with the environmental management system and the principle of preventing pollution at the source.
- Provides the necessary information and training to the supply industries and relevant organizations in line with environmental goals and objectives.
- Guides environmental activities in a manner to support other policy provisions.
- Commits to continuously improve its environmental performance.

[Click to view Otokar's Environmental Policy.](#)





## Environmental Management

Otokar Board of Directors determines the environmental management strategies and monitors the relevant activities. The General Manager is responsible for the implementation of corporate policies and strategies. Environmental management practices are overseen by the Environmental and Sustainability Leadership positioned under the Corporate Communications and Sustainability Directorate.

The environmental impact of Otokar's operations is subject to multi-dimensional audits. In addition to the company's internal audit system, annual Koç Holding Audit Group audits are also conducted. On the other hand, independent external audits are conducted for compliance with environmental standards. Otokar is also subject to audits by the Turkish Ministry of Environment, Urbanization and Climate Change. Otokar reports its performance related to greenhouse gas emissions, VOC emissions, wastewater, hazardous and non-hazardous waste to the Ministry. During the reporting period, no complaints were filed and no environmental fines were imposed due to environmental impact.

Environmental impacts are monitored as part of enterprise risk management. The risks identified in this area are analyzed and the environmental

impacts are recorded in the Environmental Impact Log. In the event of changes in environmental risks, the Environmental Impact Log is updated. In accordance with the Otokar Management Systems Environmental Objectives, Targets and Management Programs Procedure, annual and five-year targets are set for environmental performance and progress is monitored.

Environmental targets are also included in the personal performance appraisals and remuneration system. The environmental performance of the employees is evaluated and tracked with scorecards and the results are reported to the General Manager and the Board of Directors.

In 2024, our environmental expenditures for the efficient implementation of environmental management processes and applications to improve performance amounted to TL 5.9 million. Our total environmental investments were recorded at TL 15.5 million. We organize training activities to ensure that the employees are well-informed and aware about environmental management. In 2024, Otokar employees received 1,966 person\*hours of environmental training. We have not encountered any penalties related to environmental or water issues.

Environmental Investments and Training	2022	2023	2024
Environmental Management and Investment Spending (TL million)	3,4	6,4	5,9
Environmental Training (person*hours)	1,680	1,652	1,966

## Environmental Partnerships

As part of our environmental sensibilities, we focus on partnerships and collaborations to create a wider impact. Accordingly, we collaborate with various stakeholder groups and NGOs. As a Koç Group company, we participate in the regular Koç Group Environmental Committee meetings and share our best practices with other Koç Group companies for wider dissemination.

Otokar is also a member of the Environmental Working Groups in OSD, SATSO, ISO and TÜSİAD. In particular, ISO and TÜSİAD provide platforms for us to engage with and support businesses in our immediate vicinity. Such engagements offer opportunities for information exchange on legislative changes, EU compliance directives, local sanctions and investments.

## Incentivizing Stakeholders

At Otokar, we expect our stakeholders and business partners to adopt an identical environmental approach and aim to spread the environmental management approach beyond our own operations to the entire value chain. In supplier selection, compliance with environmental standards and meeting environmental management criteria are key considerations. The environmental performance of suppliers is monitored through self-assessment surveys.

The environmental management activities and their results are communicated to the stakeholders through sustainability reports and annual reports, Koç Holding reports, Otokar Line blog, This Month at Otokar newsletter, Otokar OHS newsletter, training programs for the supply industry and environmental information documents.

In 2024, Otokar was recognized with the Environment Award at the Sakarya Stars Award Ceremony organized by the Sakarya Chamber of Commerce and Industry.



# LOW-CARBON ECONOMY

## Transitioning to Low-Carbon Economy and Clean Technologies

Transitioning to Low Carbon Economy and Clean Technologies - Metrics	2022	2023	2024
Scope I Emissions (tons CO <sub>2</sub> e)	11,023	16,046	14,781
Scope II Emissions (tons CO <sub>2</sub> e)	9,685	12,722	12,740
Scope III Emissions (tons CO <sub>2</sub> e)	3,197,714	4,999,262	4,929,872
Scope I Emissions per Unit (tons CO <sub>2</sub> e/unit)	0,86	1,08	0,92
Scope II Emissions per Unit (tons CO <sub>2</sub> e/unit)	0,76	0,85	0,80
Scope III Emissions per Unit (tons CO <sub>2</sub> e/unit)	251	315	309

### Approach To Tackling Climate Change

In our efforts to tackle climate change, we follow our Environmental Policy, Energy Policy and R&D Strategy, which are all in alignment with Koç Group Climate Change Strategy and Koç Group Climate Change Management model. The Board of Directors is the highest governing body responsible for determining the strategies to address climate change.

### Carbon Footprint Activities

Guided by TCFD (Task Force on Climate- Related Financial Disclosures), a risk analysis was conducted in 2021 regarding climate change. Sustainable products, services and strategies that facilitate the transition to a low-carbon economy were evaluated on the basis of risks and opportunities. The main strategy that we follow for tackling climate change is to work on limiting the impact of Otokar products and manufacturing processes on the climate.

We monitor the energy consumed and greenhouse gas emissions released in the production processes and launch efficiency projects to reduce energy consumption and emissions. With 2021 taken as baseline, Scope 1-2-3 emissions have been assured by BSI according to the ISO14064-1 standard. The Scope 1-2-3 emissions for 2022 have been accredited by BVQI (Bureau Veritas) and the 2023 data by QSI Certification & Inspection. Calculations were also made with Carbon Trust in accordance with the GHG standard. During the reporting period, greenhouse gas emission calculations and assurances were performed regarding Scope 1, Scope 2 and Scope 3 emissions in accordance with the ISO 14064 - 1:2006 Standard, GHG Protocol and IPCC 2006 Tier 1 methods. Furthermore, target modeling and feasibility studies were carried out for Scope 1 and Scope 2 emissions.

- **Scope I emissions** are calculated to cover the Arifiye Plant in Sakarya, sales offices in six locations, including

four in Türkiye, and warehouses and the headquarters, and include all direct greenhouse gas emissions. Emission sources such as stationary combustion sources, company vehicles and fugitive gases are included.

- **Scope II emissions** are calculated to cover the Arifiye Plant in Sakarya, sales offices in six locations, including four in Türkiye, warehouses and the headquarters, and include all purchased indirect energy sources.
- **Scope III emissions** are not limited to production-related transportation, business travel, employee commuting, waste, distribution and use of sold products and waste and also include all pre-production and post-production emission sources.

Otokar is also an active participant in the Koç Holding Carbon Transition Program, which aims for carbon neutrality by 2050.



## Fuel Economy and Usage Emissions

### Alternative Fuel Vehicles

Emissions released from vehicles can have devastating impact on climate change. Therefore, developing technologies to limit the emissions takes up an important place on the agenda of Otokar as a leading industry player. We engage in R&D activities to reduce the greenhouse emissions of our products and work on alternative fuel vehicles, electric vehicles and vehicles with high fuel efficiency.

Our efforts to expand our zero-emission vehicle family continued in 2024. As a leading global player in alternative fuel vehicles, we offer a wide product range of hydrogen and CNG powered and electric buses, ranging from 6 meters to 19 meters in length, to meet cities' needs for ecofriendly vehicles. We also closed the first sale of our electric truck, e-Atlas, in the domestic market in 2024.

As investments in vehicle technologies with reduced emissions continue, the engine systems of the current vehicle portfolio are also being upgraded for lower emission values. Our zero-emission buses are ready to meet the needs of all cities, especially in Europe, that are undergoing transformation. We aim to expand our alternative fuel vehicle family and offer an entire product range of low and zero emission vehicles.



## Energy Management

Energy Management Metrics	2022	2023	2024
Direct Energy Consumption (GJ)	216,223	181,075	243,984
Indirect Energy Consumption (GJ) – (Grid)	79,152	101,691	107,272
Total Energy Consumption (GJ)	295,963	285,624	351,256
Investment in Energy Efficiency Projects (thousand USD)	276	69	295
Annual Savings through Energy Efficiency Initiatives (GJ)	5,713	5,533	10,674
Energy Consumption by Unit (GJ/Unit) - Grid and SPP	23.27	18.02	7.7

### Energy Management Approach

In all our operations, we aim to implement and develop a proactive energy management system based on sustainable development. In line with our Energy Policy, we are committed to efficient use of energy and natural resources in all our activities, implementing environment and energy-friendly technologies in new projects and equipment purchases, saving energy and reducing natural resource consumption through efficiency improvements in existing processes and systems. As part of these efforts, we established the ISO 50001 Energy Management System and obtained certification.

### Energy Efficiency in Production

Energy efficiency projects are implemented because of their impact on our key performance indicators: energy consumption and greenhouse gas emissions. As part of the energy efficiency activities carried out at our Arifiye plant in 2024, we implemented 10 projects, saving 10,674 GJ of energy and 956 tons of CO<sub>2</sub>. Key projects include replacing the air compressor, recovering waste heat from the cataphoresis facility's regenerative thermal oxidation unit, and replacing the compressed air dryers.

### Renewable Energy

Aiming to reduce the energy consumption and carbon emissions of the domestic wastewater treatment plant, we launched a pilot project in 2022 and started to generate electricity from photovoltaic panels with an installed capacity of 12.6 kWh. After achieving successful results, a solar power plant (SPP) with an installed capacity of 800 kWh was commissioned in early 2023. This SPP generated 3,646 GJ of energy in 2024.

[Click to view Otokar's Energy Policy.](#)



# CIRCULAR ECONOMY

Circular Economy Metrics	2022	2023	2024
Number of Vehicles/Products Undergoing Life Cycle Assessments (LCAs)	3	2	3

## Efficient Use of Natural Resources

Efficient use of natural resources is a critical matter that we follow diligently. As a responsible company, we aim to utilize the resources needed for our activities at a minimum.

## Life Cycle Assessments (LCAs)

Otokar products. Therefore, not only certain production processes and products, but also the impact created by the products throughout their entire life cycle should be considered. In light of the evaluations, studies are conducted to improve the environmental impact qualities of existing and new products.

In 2024, Life Cycle Assessments (LCAs) were conducted on three products.





# WASTE MANAGEMENT

## Zero Waste Approach

At Otokar, wastes mainly originate from manufacturing processes and paint shops, while logistics activities also generate packaging waste and support teams' wastes (wastewater, maintenance). The waste materials are classified as hazardous and non-hazardous. Hazardous wastes include chemicals and wastes contaminated with chemicals. Non-hazardous wastes are all wastes that have not been subjected to any chemical contamination, such as packaging wastes and metal parts originating from processes.

In line with our environmental policy and zero waste target, we aim to minimize waste generation during production and to recover and reuse the waste at the highest rate possible. All hazardous and non-hazardous waste generated at the plant is managed with the zero waste principle. After the waste materials are sorted, they are designated as solid-liquid, recycling, temporary storage and disposal. The waste materials sorted for recycling are further separated depending on whether they can be directly recycled or reused as fuel, and shipped out of the plant according to their designations. In 2024, Otokar's operations generated 8,414 tons of waste, including 737 tons of hazardous and 7,678 tons of non-hazardous waste, and 99% of this waste was recovered. No significant leakage was detected in 2024.

We engage in various activities, starting with recycling, to reduce waste. These include the following actions:

- Work is ongoing for packaging optimization and reusable packaging in the supply chain.
- Continuous training is provided to promote the zero waste vision.
- Single-use plastics were eliminated in 2023.
- To reduce process-related waste, design and production enhancements were introduced to prevent metal waste generation.

All electronic waste generated during the production process is recycled through licensed companies. In addition, areas have been designated for employees to drop their electronic waste from their homes. All processes have been completed for planting trees with the proceeds from recycling these wastes.

Waste Management Metrics	2022	2023	2024
Waste Generated (ton/unit)	0.57	0.56	0.51
Hazardous Waste Generated (tons/unit)	0.033	0.043	0.046
Total Waste (tons)	7.077	8.958	8.414
Recovered Waste (tons)	6.999	8.892	8.396
Recycled Waste Rate (%)	99	99	99
Environmental Fines (TL)	0	0	0

Indicators for Other Harmful Gases (tons)	2023	2024
Sulfur oxides (SOx/SO <sub>2</sub> )	0.102	0.101
Nitrogen oxides (NOx/NO <sub>2</sub> )	64.99	64.483
Non-methane volatile organic compounds (NMVOC)	23,891	23,703
Carbon monoxide (CO)	0.319	0.316

## Managing Waste Gases

**Gases Damaging the Ozone Layer:** Fluorinated greenhouse gases are used in AC units (R-134A) of the vehicles and during facility maintenance (R-404a, R-407a, R-410a or R-22 depending on the type of cooling device).

**Other Harmful Gases:** The Regenerative Thermal Oxidizer (RTO) system is the key measure employed to reduce NMVOC emissions. As a result of burning NMVOC gas formed in the paint drying ovens and storing it in active carbon filters, the emission of volatile organic compounds is prevented with a 95% efficiency.

The gases released into the air are below the limit values of the Ministry of Environment, Urbanization and Climate Change and figures are the total emission amounts in a year. Emission measurements and air quality controls are performed regularly by Ministry-approved institutions. We also prepare an annual VOC Report pursuant to the relevant regulatory provisions and submit flue gas emission measurements to the Ministry every two years.



# WATER STEWARDSHIP

## Efficient Use of Water

Our production processes involve intensive water use, especially in surface coating and in the filtrations in the paint shops. Moreover, significant domestic wastewater is generated due to cafeteria and employee use. Therefore, we recover and treat water for improved efficiency.

The efforts to improve rainwater harvesting started in 2022 with the aim of using more recycled water in production. Accordingly, the roofs of two separate buildings were retrofitted to enable rainwater collection. Rainwater harvesting is carried out using the rainwater collection system, while water circularity is ensured by recycling deionized (distilled) process waters in the Cataphoresis Plant. In 2024, nearly 160 thousand m<sup>3</sup> of water was reused in production through treatment and recovery processes, and 3 thousand m<sup>3</sup> of water was saved through efficiency projects.

## Wastewater Management

Wastewater from production is treated in our industrial wastewater treatment facility in accordance with Otokar Environmental Policy, environmental management systems and applicable regulations, and then delivered to designated discharge locations after its pollution load is reduced to the values specified in the discharge permits by Sakarya Metropolitan Municipality (SASKI). Domestic wastewater is discharged into a SASKI channel for treatment.



Water Stewardship Metrics (thousand m <sup>3</sup> )	2023	2024
Withdrawal – ground water	91	69
Withdrawal – municipal water	102	151
Total Water Withdrawal	193	220
Wastewater	90	126
Water Consumption (Withdrawal – Wastewater)	103	94
Recovered Water through Recycling and Treatment	150	160
Water Consumption/Unit	0.0129	0.0140
Net Water Use/Unit	0.006	0.0059



A background image of a smiling woman with her hands raised in a gesture of community or support. The image is slightly blurred, focusing on the hands in the foreground.

# FOR COMMUNITIES

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# COMMUNITY ENGAGEMENT

## Community Engagement Approach

Community Engagement Metrics	2022	2023	2024
Donations and Sponsorships	0.4%	0.4%	0.4%
Number of Vocational Trainings on Specific Skill Topics	2	2	2
Number of STEM Projects (Internships/Scholarships/Workshops)*	-	-	1

\*Started in 2024.

At Otokar, we aim to support the development and welfare of our communities, drawing from the motto of the late Vehbi Koç, the founder of Koç Holding, who said, 'I exist if my country exists'. Adopting a responsible corporate citizenship approach, we also contribute to the social, environmental and economic development of society in line with the sustainable development goals. All the activities carried out for these purposes are guided by the principles defined in our Community Investment Policy, which forms an integral part of Otokar's Code of Ethics.

We prioritize conducting our activities in the highest ethical standards and adopt the 10 principles of the UN Global Compact, to which Koç Holding is a signatory. The Corporate Communications and Sustainability is responsible for developing and executing community engagement projects.

Community investments are made in accordance with

the Koç Group's Sustainability Guidelines and Otokar's material sustainability topics, taking into account the following conditions:

- The relevant community investment should align with the priorities and needs of the regions where Otokar engages in commercial activities.
- A clear and explicit link should be present between community investments activities and business strategies.
- Strong relationships should be established with non-governmental organizations, international organizations, universities or individuals to implement viable solutions.
- The returns of community investments should be measurable and scalable with the potential to deploy in different fields of activity and regions.
- Community investments should align with the social and environmental targets stated in the UN Sustainable Development Goals.



[Click to view Otokar's Community Investment Policy.](#)



## Donation and Sponsorship Approach

Otokar makes donations and extends sponsorships under certain conditions. These should be:

- Comply with the limitations specified in Otokar's articles of association (and/or other incorporation documents) or imposed by the General Assembly and/or the Board of Directors or a similar authorized representative body.
- Comply with all applicable laws and regulations, including but not limited to capital market laws, commercial codes and tax legislation in the countries where Otokar operates.
- Align with the principles in this Policy and the Koç Group and Otokar Code of Ethics, without any conflicts with Otokar's values or legitimate interests.
- Be documented in accordance with the legislation.

Donations and sponsorships should **not** be:

- Used for any improper benefit or corruption of any kind.
- Associated with any commercial benefits (winning a tender, ensuring the renewal of a contract, etc.)
- Intended for political purposes to benefit any politician, political party, municipality or government official, directly or indirectly through a third party.
- Benefit of any institution or organization that discriminates against ethnicity, nationality, gender, religion, race, sexual orientation, age or disability.
- Directly or indirectly violate human or animal rights, promote tobacco, alcohol and illegal drug use or harm the environment. In addition to the

aforementioned conditions, the upper limit of donations should be determined by the General Assembly of Otokar and donations made during the year should be presented to the General Assembly.

[Click to view Donation and Sponsorship Policy.](#)

### Donations

The donations made to foundations and associations in 2024 per the company's Donation and Sponsorship Policy amounted to nominal TL 20.6 million (corresponding to TL 21.6 million based on the purchasing power on December 31, 2024). The distribution of this nominal amount is as follows:

- TL 11.8 million to Koç University.
- TL 5.7 million to Vehbi Koç Foundation.

- TL 1.7 million to Sakarya Chamber of Commerce and Industry (SATSO) Motor Vehicle Technology Vocational and Technical Anatolian High School, where we established the Electric Vehicles Workshop.
- The remainder to various other institutions and organizations, each in an amount lower than TL 500,000.

### Sponsorships And Support

- We sponsored the "Horsepower" exhibition at the Rahmi M. Koç Museum in Istanbul, which featured a Land Rover Defender, which was manufactured by Otokar and traveled around the world.
- We continued our transportation support for the contemporary art museum Arter.







## Supporting Students' Development

### Mobility and Optimization Projects with University Students

Students from Sakarya University, in collaboration with Sakarya Teknokent A.Ş. under Otokar's mentoring, developed three special projects to potentially generate solutions to real problems in the fields of mobility and optimization. 14 students participated in the collaborative project, which aimed to contribute to the development of university students, introduce them to real-world problems and solution methods in industry, and enhance the synergy between university and industry.

Over the course of 14 weeks, the students, supported and guided by Otokar executives, focused on three topics related to mobility solutions and optimization problems, selected from real-world business contexts. Throughout the project, the students received agile management training, gaining with the knowledge and experience needed to solve problems encountered in industry and preparing for the professional world.

### University-Industry Collaborations

Continuing to strengthen its university and industry collaborations, Otokar signed a cooperation agreement with the Department of Electrical and Electronics Engineering at Yıldız Technical University.

Otokar also hosted students from the ACM (Association for Computing Machinery) community at Hacettepe University and gave them an opportunity to experience the test centers at the plant.

To encourage reverse brain drain, we hosted the "Beyond the Borders Ideathon" event for Turkish students studying abroad. Held at the MEXT Digital Factory, the event showcased young talent developing innovative modular vehicle solutions for natural disasters. Twelve participants, selected from applications from 38 different universities, found the opportunity to work with Otokar's technical teams for three days.

### A Stronger Future with Otokar Project

Otokar signed an agreement with SATSO MAT MTAL (Sakarya Chamber of Commerce and Industry Motor Vehicle Technology Vocational and Technical Anatolian High School) for a STEM project and launched "A Stronger Future with Otokar" project. In the first step of the project, an Electric Vehicles Workshop was established at SATSIO MAT MTAL in Arifiye, where the Otokar Plant is located. The goal of this project is to support the students with internships and scholarships and contribute to a highly qualified workforce equipped with the technological skills of the future.

As part of the project, 11<sup>th</sup> grade students began internships at our factory, while 12 successful students, consisting primarily of female students, were granted scholarships. Additionally, our engineering and technical teams periodically provide training on current issues and industry developments.

## Environmental Initiatives

Environment is a key topic in our partnerships and collaborations to create a wider impact. Accordingly, we collaborate with various stakeholder groups and NGOs. As a Koç Group company, we participate in the monthly Koç Group Environmental Committee meetings and share our best practices with other Koç Group companies for wider dissemination. Otokar is also a member of the Environmental Working Groups in OSD and TÜSİAD, which provide platforms for us to engage and collaborate with businesses in our immediate vicinity. Such activities create opportunities for information exchange on legislative changes, EU compliance directives, local sanctions and investments.

Otokar's environment-focused efforts have been recognized with multiple awards by institutions such as the Ministry of Environment, Urbanization and Climate Change, Sakarya Governor's Office, İstanbul Chamber of Industry, Adapazarı Chamber of Commerce and Industry and Kocaeli Chamber of Industry. Otokar is also one of the first automotive companies to operate with ISO 14001 certification.





# ANNEXES

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## ANNEX 1. SASB Automobile Industry Metrics

TOPIC	METRIC	CATEGORY	UNIT	RESPONSE
Labor Relations	Percentage of active workforce covered under collective bargaining agreements	Quantitative	Percentage (%)	77%
	Number and duration of strikes and lockouts	Quantitative	Number, Days	(1) 0, (2) 0
Materials Efficiency & Recycling	Amount of total waste from manufacturing, percentage recycled	Quantitative	Percentage (%)	99%
	Weight of end-of-life material recovered, percentage recycled	Quantitative	Percentage (%)	95%
	Average recyclability of vehicles sold, by weight	Quantitative	Percentage (%) by sales-weighted metric tonnes (t)	%95

ACTIVITY METRICS	CATEGORY	UNIT	RESPONSE
Number of vehicles produced	Quantitative	Number	5,375
Number of vehicles sold	Quantitative	Number	5,394



## ANNEX 2. GRI Content Index

Otokar Otomotiv ve Savunma Sanayi A.Ş. has reported in accordance with the GRI Standards for the period from January 1, 2024 to December 31, 2024. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is presented clearly and in a manner consistent with the standards and that the references for disclosures are aligned with the appropriate sections of the report. No sector standards have been used. The service was received for the Turkish version of the report.



GRI Standard	Disclosure	Page/Link/Direct Answer	Omissions
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021	<b>1) The organization and its reporting practices</b>		
	2-1 Organizational details	7, 12, 110	
	2-2 Entities included in the organization's sustainability reporting	15	
	2-3 Reporting period, frequency and contact point	2, 110	
	2-4 Restatements of information	Due to inflation accounting, the 2023 financial data has been restated.	
	2-5 External assurance	106	
	<b>2) Activities and workers</b>		
	2-6 Activities, value chain and other bussines relationships	7, 15	
	2-7 Employees	58, 59	
	2-8 Workers who are not employees	59	
	<b>3) Governance</b>		
	2-9 Governance structure and composition	18, 22	
	2-10 Nomination and selection of the highest governance body	18	
	2-11 Chair of the highest governance body	18	
	2-12 Role of the highest governance body in overseeing the management of impacts	27	
	2-13 Delegation of responsibility of managing impacts	27	
	2-14 Role of the highest governance body in sustainability reporting	The Capital Markets Board (CMB) Sustainability Principles Compliance Report is reviewed by the Corporate Governance Committee and submitted to the Board of Directors for approval, so that it can be included in the annual report and disclosed to the public via the Public Disclosure Platform (KAP).	



GRI Standard	Disclosure		Page/Link/Direct Answer	Omissions
GRI 2: General Disclosures 2021	2-15	Conflicts of interest	20	
	2-16	Communication of critical concerns	19	
	2-17	Collective knowledge of the highest governance body	No training of this nature was provided during the reporting period.	
	2-18	Evaluation of the performance of the highest governance body	27	
	2-19	Remuneration policies	19	
	2-20	Process to determine remuneration	19	
	2-21	Annual total compensation ratio		"Confidentiality Restrictions: No disclosure is made, in compliance with the Personal Data Protection Law (KVKK), due to the privacy of personal data."
	<b>4) Strategy, policies and practices</b>			
	2-22	Statement on sustainable development strategy	4	
	2-23	Policy commitments	27, 52, 69	
	2-24	Embedding policy commitments	52, 54	
	2-25	Processes to remediate negative impacts	52	
	2-26	Mechanism for seeking advice and raising concerns	52	
	2-27	Compliance with laws and regulations	No significant monetary or non-monetary penalties were incurred during the reporting period. However, some administrative payments and fines were recorded due to late notifications of invoices received after the tax period (resulting in interest for voluntary disclosures), correction declarations related to inaccurate engine number reporting in SCT filings for a group of vehicles, and traffic fines. In 2024, 33 penalties amounting to TRY 309,070 were recorded, and 7 penalties totaling TRY 7,685 pertain to prior years.	
	2-28	Membership associations	30	
	<b>5) Stakeholder engagement</b>			
	2-29	Approach to stakeholder engagement	29	
	2-30	Collective bargaining agreements	69	



GRI Standard	Disclosure		Page/Link/Direct Answer
<b>Material Topics</b>			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	28
	3-2	List of material topics	28
<b>Sustainable Growth</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	35
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	35, 62, 62, 87
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no legal actions concluded or ongoing in 2024 related to anti-competitive behavior, anti-trust, or monopoly practices.
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	At Otokar, senior management is defined as of Board members, the General Manager and Assistant General Managers. All of our senior executives are Turkish citizens.
<b>Contribution to Local Economy</b>			
GRI 3: Material Topics 2021	3-3	Infrastructure investments and services supported	39
GRI 203: Indirect Economic Impacts 2016	203-1	Significant indirect economic impacts	39
	203-2	Approach to tax	39
GRI 207: Tax 2019	207-1	Tax governance, control, and risk management	40
		Stakeholder engagement and management of concerns related to tax	40
	207-3	Stakeholder engagement and management of concerns related to tax	40
<b>Corporate Reputation</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	41
<b>Product and Service Responsibility</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	42, 44, 46
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	42
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	42
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	45
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	46, There were no substantiated complaints in 2024 regarding breaches of customer privacy or losses of customer data, received from customers or regulatory authorities.
<b>R&amp;D and Innovation</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	47
<b>Business Ethics</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	51, 54





GRI Standard	Disclosure		Page/Link/Direct Answer
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	52
	205-2	Communication and training about anti-corruption policies and procedures	No training was provided to the members of the Board. 1,506 hours of ethics training was delivered to employees, of which 138.5 hours covered anti-corruption policies and procedures.
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	54
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	55
	308-2	Negative environmental impacts in the supply chain and actions taken	55
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	55
	414-2	Negative social impacts in the supply chain and actions taken	55
<b>Employee Experience</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	57, 63
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	60, 74, 74, 74, 75, 75
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Legal periods and practices are taken into consideration.
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	62
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	63
	403-2	Hazard identification, risk assessment, and incident investigation	64
	403-3	Occupational health services	64
	403-4	Worker participation, consultation, and communication on occupational health and safety	64
	403-5	Worker training on occupational health and safety	65
	403-6	Promotion of worker health	64, 65
	403-8	Workers covered by an occupational health and safety management system	63
	403-9	Work-related injuries	66
	403-10	Work-related ill health	66
<b>Managing High-Potential Employees</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	67
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	68, 68
	404-2	Programs for upgrading employee skills and transition assistance programs	68, There is no transition support program in place.
	404-3	Percentage of employees receiving regular performance and career development reviews	68



GRI Standard	Disclosure		Page/Link/Direct Answer
Human Rights and Fair Work			
GRI 3: Material Topics 2021	3-3	Management of material topics	69, 71
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	70
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	70
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We do not have any operations or suppliers where the Right to Collective Bargaining is at risk.
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	We do not have any operations or suppliers with a significant risk of child labor incidents.
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	We do not have any operations or suppliers with a significant risk of forced or compulsory labor incidents.
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	60, 74, 74, 74, 75, 75
	401-3	Parental leave	77
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	73, 73, 73, 73
	405-2	Ratio of basic salary and remuneration of women to men	76, 76
Low-Carbon Economy			
GRI 3: Material Topics 2021	3-3	Management of material topics	79, 81
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	There are no sites within this scope.
	304-3	Habitats protected or restored	There are no habitats protected or restored.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	There are no species within this scope.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	81
	305-2	Energy indirect (Scope 2) GHG emissions	81
	305-3	Other indirect (Scope 3) GHG emissions	81
	305-4	GHG emissions intensity	81
GRI 302: Energy 2016	302-1	Energy consumption within the organization	82
	302-2	Energy consumption outside of the organization	82
	302-3	Energy intensity	82
	302-4	Reduction of energy consumption	82, 82



GRI Standard	Disclosure		Page/Link/Direct Answer
Circular Economy			
GRI 3: Material Topics 2021	3-3	Management of material topics	79
Waste Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	79
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	84
	306-2	Management of significant waste-related impacts	84
	306-3	Waste generated	84
	306-5	Waste directed to disposal	84
GRI 305: Emissions 2016	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	84
Water Stewardship			
GRI 3: Material Topics 2021	3-3	Management of material topics	79
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	85
	303-2	Management of water discharge-related impacts	85
	303-3	Water withdrawal	85
	303-4	Water discharge	85
	303-5	Water consumption	85
Community Engagement			
GRI 3: Material Topics 2021	3-3	Management of material topics	87
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	"There are no operations involving such programs."
	413-2	Operations with significant actual and potential negative impacts on local communities	There are no operations with significant actual or potential negative impacts.
GRI 415: Public Policy 2016	415-1	Political contributions	No donations have been made for political purposes.
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	87



## ANNEX 3. Reporting Guidelines

This reporting guide ("Guide") provides information on the preparation, calculation, and reporting methodologies for the data related to the metricss covered by the limited assurance scope in Otokar Otomotiv ve Savunma Sanayii A.Ş.'s ("Company") Otokar 2024 Sustainability Report.

These metricss include social and environmental metricss. It is the responsibility of the Company's management to ensure that appropriate procedures are followed to prepare these metricss, as specified below, in accordance with the Guide, from all material aspects.

The information contained in this guide covers the fiscal year ending December 31, 2024. The information presented in this report covers Otokar's core activities in Türkiye as well as the following subsidiaries:

- Otokar Europe SAS (France)
- Otokar Land Systems Limited (United Arab Emirates)
- Otokar Europe Filiala Bucuresti S.R.L. (Romania)
- Otokar Italia S.R.L. (Italy)

### General Reporting Principles

The following principles have been taken into consideration in the preparation of this guidance document:

- In the preparation of information—to emphasize the fundamental principles of suitability and reliability of information for its users.
- In the reporting of information—to emphasize the principles of comparability/consistency with other data, including data from previous years, and the principles of clarity/transparency that provide clarity to users.

Basic Definitions and Scope of Reporting In line with the purpose of this report, the Company makes the following definitions:"

TYPE	INDICATOR	SCOPE
ENVIRONMENTAL PERFORMANCE INDICATORS	<b>Transitioning to Low Carbon Economy and Clean Technologies</b>	
	Scope I Emissions (ton CO <sub>2</sub> e)	This metrics refers to the emissions from direct consumption of the company's operations in Türkiye during the reporting period, in accordance with the GHG Protocol. Subsidiaries are included.
	Scope II Emissions (ton CO <sub>2</sub> e)	This metrics refers to the emissions from indirect consumption of the company's operations in Türkiye during the reporting period, in accordance with the GHG Protocol. Subsidiaries are included.
	Scope III Emissions (ton CO <sub>2</sub> e)	"This metrics refers to indirect greenhouse gas emissions from external sources other than the company's direct activities in line with the GHG Protocol, including its products during the reporting period"
	Scope I Emissions per Unit (tons of CO <sub>2</sub> e/unit)*	This metrics refers to the total Scope I GHG emmissions from sources directly controlled or own by the Company per specific business unit within the reporting period. Subsidiaries are included. Unit: Represents the total shared value of the vehicles produced.
	Scope II Emissions per Unit (tons of CO <sub>2</sub> e/unit)*	This metrics refers to the total Scope II GHG emmissions originating from the Company's indirect consumption per specific business unit within the reporting period. Subsidiaries are included. Unit: Represents the total shared value of the vehicles produced.
	Scope III Emissions per Unit (tons of CO <sub>2</sub> e/unit)*	This metrics refers to the total Scope III GHG emmissions originating from the Company's value chain but outside its direct control or ownership per specific business unit within the reporting period. Subsidiaries are included. Unit: Represents the total shared value of the vehicles produced.
	<b>Energy Management Metrics</b>	
	Direct Energy Consumption (GJ)	This metrics refers to the total amount of energy directly obtained and consumed from sources controlled or owned by Otokar, expressed in GJ during the reporting period.
	Indirect Energy Consumption (GJ) – (Grid)	This metrics refers to the total amount of energy produced and consumed by the company from external sources expressed in GJ during the reporting period.
	Total Energy Consumption (GJ)	This metrics refers to the total amount of all direct and indirect energy consumption by Otokar, expressed in GJ during the reporting period.
	Energy Consumption per Unit (GJ/Unit) – Grid and SPP	This metrics refers to the total total amount of all direct and indirect energy consumption per specific business unit within the reporting period. Subsidiaries are included. Unit: Represents the total shared value of the vehicles produced.



TYPE	INDICATOR	SCOPE
ENVIRONMENTAL PERFORMANCE INDICATORS	<b>Water Stewardship Metrics (thousand m<sup>3</sup>)</b>	
	Withdrawal – ground water	This metrics represents the monthly reported groundwater consumption amount monitored by the Company's internal meters during the reporting period. It includes operations in Türkiye.
	Withdrawal – municipal water	This metrics represents the amount of municipal water consumed during the reporting period, tracked through invoices received from service providers (12 months) and mapped through financial reporting systems. It includes operations in Türkiye.
	Total Water Withdrawal	This metrics refers to the total of the Company's municipal water, underground water and rainwater consumption amounts during the reporting period.
	Wastewater	This metrics refers to the total amount of all water generated as a result of the company's activities and subsequently discharged (treated or untreated) during the reporting period.
	Water Consumption (Withdrawal – Wastewater)	This metrics expresses the Company's total water consumption during the reporting period as the difference between the amount of water withdrawn and the amount of wastewater discharged.
	Recovered Water through Recycling and Treatment	"This metrics refers to the total amount of water expressed in cubic meters that has been made reusable during the reporting period through treatment, recycling and/or reclamation processes from wastewater generated during the company's operations or from other water sources."
	Water Consumption/Unit	This metrics represents the normalized amount of the Company's total water consumption per specific unit of production or service during the reporting period. Unit: Represents the total shared value of the vehicles produced.
	Net Water Use/Unit	This metrics represents the normalized amount of the Company's "net" water consumption per unit of production or service during the reporting period, obtained by subtracting the amount of water withdrawn from the amount of water recycled or reused.
	<b>Waste Management Metrics</b>	
	Waste Generated (tons/unit)	This metrics represents the total amount of waste generated as a result of the Company's activities during the reporting period.
	Hazardous Waste Generated (tons/unit)	This metrics represents the amount of waste generated as a result of the Company's activities during the reporting period and classified as hazardous according to relevant legislation.
	Total Waste (tons)	This metrics represents the total weight of all waste, both hazardous and non-hazardous, generated as a result of the Company's activities during the reporting period.
	Recovered Waste (tons)	This metrics expresses the weight of all waste generated as a result of the Company's activities that was re-evaluated instead of disposed of during the reporting period.
	Recycled Waste Rate (%)	This metrics refers to the percentage of the total waste generated by the Company that is recycled, reused or recovered through energy recovery during the reporting period.
	Environmental Fines (TL)	This metrics refers to the total amount in Turkish Lira (TL) of all fines deemed significant by official authorities imposed on the Company during the reporting period due to non-compliance with the environmental regulations.
	<b>Indicators for Other Harmful Gases (tons)</b>	
	Sulfur oxides (SO <sub>x</sub> /SO <sub>2</sub> )	This metrics expresses the amount of Sulfur Oxide (SO <sub>x</sub> ) emissions, particularly Sulfur Dioxide (SO <sub>2</sub> ), resulting from the Company's activities during the reporting period. The amount is reported in tons.
	Nitrogen oxides (NO <sub>x</sub> /NO <sub>2</sub> )	This metrics expresses the amount of Nitrogen Oxide (NO <sub>x</sub> ) emissions, particularly Nitrogen Dioxide (NO <sub>2</sub> ), resulting from the Company's activities during the reporting period. The amount is reported in tons.
	Non-methane volatile organic compounds (NMVOCs)	This metrics expresses the amount of non-methane volatile organic compounds (NMVOCs) resulting from the Company's activities during the reporting period. The amount is reported in tonnes.
	Carbon monoxide (CO)	This metrics expresses the amount of Carbon Monoxide (CO) generated by the Company's activities during the reporting period. The amount is reported in tons.

(\*) Unit: The aggregated total value of manufactured vehicles



TYPE	INDICATOR	SCOPE
SOCIAL PERFORMANCE INDICATORS	<b>Employee Figures</b>	
	Employees by Gender	During the reporting period, this refers to the total number of employees, broken down by female/male, who are tracked by the Company's Human Resources data platform and for whom an Employment Notification Form has been submitted to the Social Security Institution. Interns are not included in the total number of employees. This includes operations in Türkiye and subsidiaries.
	Employees by Type of Employment	During the reporting period, the Company's Human Resources data platform tracked the number and total of female and male employees classified as full-time and part-time in accordance with Law No. 4857 for its operations in Türkiye. Interns are not included in the number of full-time and part-time employees. This includes operations in Türkiye and its subsidiaries.
	Employees by Contract Type	During the reporting period, the Company's Human Resources data platform tracked the total number of female and male employees with fixed-term and indefinite-term contracts classified according to the Company's definition of fixed-term and indefinite-term employment contracts for its operations in Türkiye, as per Law No. 4857. The number of employees by contract type does not include interns. It includes Türkiye and its subsidiaries' operations.
	<b>Employees by Category</b>	
	Gender Distribution	During the reporting period, the Company's Human Resources data platform tracked the ratio of female and male employees to the total number of employees as a percentage and the annual average number of employees broken down by male/female, which was reported to the Social Security Institution in the Employment Notification Form. Interns were not included. This includes operations in Türkiye and subsidiaries' operations.
	Employees with Monthly Salaries	During the reporting period, the Company's Human Resources data platform tracked the number of female and male employees employed on a monthly fixed salary basis and their total number. It shows the breakdown of monthly salaried employees in accordance with the full-time and part-time working hours specified by law.
	Employees with Hourly Salaries	During the reporting period, the Company's Human Resources data platform tracked the number of female and male employees paid on an hourly basis and their total number. It shows the breakdown of hourly salaried employees in accordance with the full-time and part-time working hours specified by law.
	Trade Union Representation and OHS Structures	This refers to the number of employees who were members of labor unions during the reporting period and actively participated in union activities, the number of employees who actively participated in employer unions, and the number of employees in workplaces without an OHS Committee or equivalent structure, union representation, labor relations committee, etc.
	Number of Disabled Employees	During the reporting period, the Company states the number of employees who fall under the definition of disabled in Law No. 5378 on Persons with Disabilities for its operations in Türkiye, broken down by female/male and as a total. This includes operations in Türkiye and subsidiaries' operations.
	<b>Total Employment Figures by Age Groups, including Subsidiaries</b>	
	Total Employment Figures by Age Groups, including Subsidiaries	During the reporting period, the Company's Human Resources data platform tracked the number of employees who submitted their Employment Notification Forms to the Social Security Institution, broken down by age group (under 30, 30-50, and over 50) and gender (female, male, and total), as well as the proportional distribution of the total number of employees by age group. Interns are not included. This includes operations in Türkiye and its subsidiaries.
	<b>Subcontractor Employees by Gender</b>	
	Subcontractor Employees by Gender	This metric shows the female/male distribution and total number of employees employed by the Company through subcontractors during the reporting period.
	<b>Employee Turnover Rates (by Gender, Age and Location)</b>	
	Employee Turnover Rates (by Gender, Age and Location) (2024)	During the reporting period, the Company reports the number of employees who left the company during the reporting year to the Social Security Institution in the Termination of Employment Notification, broken down by gender, age, and location, as well as the total number. It also includes employee turnover rates by gender, age, and region. The calculations for turnover rates are as follows: Female Employee Turnover Rate - % (Number of Female Employees Who Left / Number of Female Employees at Year-End), Male Employee Turnover Rate - % (Number of Male Employees Who Left / Number of Male Employees at Year-End), Total Employee Turnover Rate - % (Total Departures / Year-End Total Number of Employees) includes operations in Türkiye and its subsidiaries. Interns are not included in the number of employees who left the company.

(\*) Unit: The aggregated total value of manufactured vehicles





TYPE	INDICATOR	SCOPE
SOCIAL PERFORMANCE INDICATORS	<b>Employee Turnover Figures Including Subsidiaries</b>	
	Employee Turnover Figures Including Subsidiaries	The number of employees who voluntarily left their jobs during the reporting period is stated by gender and in total, and also by the number of female and male employees who voluntarily left their jobs within the first year of employment. During the reporting period, the ratio of the number of employees who voluntarily left their jobs, as reported by the Company to the Social Security Institution in the reporting year via the Resignation Notification, to the total number of female and male employees is also indicated. This includes operations in Türkiye and its subsidiaries. Interns are not included in the number of employees who left their jobs.
	<b>New Recruitment Figures (by Gender, Age and Location), including Subsidiaries</b>	
	New Recruitment Figures (by Gender, Age and Location), including Subsidiaries	During the reporting period, it indicates the number of new female, male, and total employees hired by the Company, including its subsidiaries. The ratios of female and male employees in new employment, including subsidiaries, are also indicated. The ratios of new hires by gender to the total number of employees by gender have been calculated as percentages. Interns are not included in the number of employees hired. This includes operations in Türkiye and its subsidiaries.
	<b>Members of the Board of Directors by Gender</b>	
	Members of the Board of Directors by Gender	At the end of the reporting period, the number of members serving on the Board of Directors is stated by female/male and in total. The ratio of female and male members to the total number of members is also stated. Türkiye and its affiliated companies are stated separately.
	<b>Indicators for Equality</b>	
	Number of Employees in First-Level Management Positions	During the reporting period, the Company's Human Resources data platform tracked the number of female and male employees in team leader positions at the PL5 and PL6 levels. This includes operations in Türkiye and affiliated subsidiaries.
	Number of Employees in Mid- Level Management Positions	During the reporting period, the Company's Human Resources data platform tracked the number of female and male employees working at the PL1, PL2, PL3, and PL4 levels. This includes operations in Türkiye and affiliated subsidiaries.
	Number of Employees in Senior-Management Positions	During the reporting period, the Company's Human Resources data platform tracked the number of female and male employees working at the BL and FL levels. This includes operations in Türkiye.
	<b>Indicators for Revenue-Generating Functions</b>	
	Number of Managers in Revenue-Generating Functions	During the reporting period, the number of managers working in revenue-generating functions, as tracked by the Company's Human Resources data tracking platform, is expressed by gender breakdown. This includes operations in Türkiye and affiliated subsidiaries.
	<b>Managing High-Potential Employees (Otokar) – Metrics</b>	
	Ratio of Employees in STEM Positions (%)	During the reporting period, it refers to the percentage of employees working in positions directly related to Science, Technology, Engineering, and Mathematics (STEM) fields within the Company's total number of employees.
	Ratio of Employees Undergoing Performance Appraisal (%)	During the reporting period, this refers to the ratio of the number of employees who underwent a performance evaluation process through the Human Resources platform for the Company's operations in Türkiye and its subsidiaries to the total number of employees. Interns are not included.
	<b>Parental Leaves and Allowances</b>	
	Number of Employees Benefiting from Parental Leave	This metrics refers to the number of female employees who took maternity leave and the number of male employees who took paternity leave under the Regulation on Part-Time Work After Maternity Leave or Unpaid Leave for the Company's operations in Türkiye during the reporting period. It includes operations in Türkiye and affiliated subsidiaries.
	"Total Number of Employees Returning to Work After Parental Leave"	This metrics represents the total number of male and female employees returning to work after parental leave, tracked through the Human Resources platform. Operations and subsidiaries in Türkiye are included.
	Number of Employees Benefiting from Childcare Allowances	This metrics represents the total number of employees, broken down by female/male who directly benefited from or received financial support for company-provided childcare services during the reporting period. This includes operations and subsidiaries in Türkiye.



TYPE	INDICATOR	SCOPE
SOCIAL PERFORMANCE INDICATORS	<b>Customer Satisfaction Metrics</b>	
	Call Center Resolution Satisfaction Rate (%)	This metrics represents the percentage (%) value that indicates the satisfaction level of customers who applied to the call center during the reporting period, if their problems were resolved satisfactorily at the first application or at the end of the process.
	Call Center Customer Satisfaction Rate (%)	This metrics represents the percentage (%) value that shows the overall satisfaction level of customers who interacted with the call center during the reporting period.
	Resolution Rate (%)	This metrics represents the percentage (%) of the total number of complaints submitted by customers during the reporting period that were successfully resolved to ensure customer satisfaction.
	Service Center Satisfaction Rate (%)	This metrics represents the percentage (%) showing the general satisfaction level of customers receiving service from authorized service centers during the reporting period.
	Dealer Satisfaction Rate (%)	It is an metrics calculated by asking different questions to the clients about the satisfaction from the dealers during the reporting period and expressed on a percentage basis.
	Roadside Assistance Response Time Satisfaction Rate (%)	This metrics represents the percentage (%) of satisfaction with the service of customers who received roadside assistance during the reporting period.
ECONOMICAL PERFORMANCE INDICATORS	<b>Occupational Health and Safety Metrics</b>	
	OHS Training Hours (person-hour)	This metrics represents the total number of person - hours of occupational health and safety training provided to employees during the reporting period.
	OHS Training Given to Contractor Employees (person*hour)	This metrics represents the total number of person-hours of occupational health and safety training provided by the company to contractor employees during the reporting period.
	Occupational Disease Cases	This metrics represents the number of cases of occupational diseases detected and officially diagnosed among company employees due to their professional activities or working environment conditions during the reporting period.
	<b>Environmental Investments (TL million)</b>	
	Environmental Management and Investment Spending (TL million)	This indicator expresses the total environmental expenditures in the reporting period in Turkish Lira (TL).
	<b>Supply Chain Metrics</b>	
	Number of Local Supplier	This metrics refers to the number of local suppliers within the Company's total suppliers that can be mapped to Otokar and its affiliates' financial reporting systems during the reporting period.
	Local Supplier Ratio (%)	This metrics represents the percentage of number of local suppliers within the Company's total number of suppliers during the reporting period.
	Suppliers audited according to environmental criteria	This metrics represents the total number of suppliers in the Company's supply chain whose environmental performance is monitored according to specific environmental criteria during the reporting period.
	<b>Number of Notifications to the Ethics Line</b>	
	Number of Notifications Reported to the Ethics Line	This metrics represents the total number of notifications to the Ethical Line during the reporting period



# DATA PREPARATION

## Environmental Performance Indicators

### Transition to Low Carbon Economy and Clean Technologies Indicators

- Our Scope I emissions are calculated to cover the Production Facility in Arifiye, Sakarya, as well as the sales offices, warehouse and management center in six locations, four of which are in Turkey, and include all direct greenhouse gas emissions. Emission sources such as stationary combustion sources, mobile combustion sources, company vehicles, fugitive gases are included.
- Our Scope II emissions are calculated to cover the Production Facility in Arifiye, Sakarya, as well as sales offices, warehouses and the management center in six locations, four of which are in Turkey, and include all purchased indirect energy sources.
- Our Scope III emissions are not limited to processes such as materials and transportation for production, business travel, employee transportation, waste, distribution of products sold and use of products sold, waste generated within the scope of operations, but also include all pre-production and post-production emission sources together with end-of-life waste activities of products sold.

IPCC, IEA, DEFRA, EcolInvent, IIEO and Otokar's own sectoral studies were used as emission factor sources.

Total = Scope 1 emissions (tons CO<sub>2</sub>e+ Scope 2 emissions (tons CO<sub>2</sub>e) + Scope 3 emissions (tons CO<sub>2</sub>e)

### Energy Management

Within the scope of the Company's direct non-renewable

energy consumption, natural gas consumption and emissions from mobile combustion are reported as primary fuel sources. GWP coefficients and emission factors are calculated with reference to the 6<sup>th</sup> Assessment Report (AR6)

Natural gas data is converted from cubic meters to gigajoules (GJ) according to the Intergovernmental Panel on Climate Change (IPCC) 2006 National Greenhouse Gas Inventory Guidelines. Natural gas consumption in Sm<sup>3</sup> is obtained from the invoices, and then the density (kg/m<sup>3</sup>) and lower heating value (TJ/kg) obtained by the locations from the natural gas suppliers are multiplied by the TJ value and then converted to GJ by unit conversion.

After the diesel consumption from stationary combustion is withdrawn from the system as L, density (kg/L) and lower heating value (TJ/kg) are multiplied and calculated as TJ value and then as GJ unit by unit conversion.

After the diesel consumption from mobile combustion is withdrawn from the system as L, density (kg/L) and lower heating value (TJ/kg) and multiplied to TJ value and then to GJ unit by unit conversion.

After the gasoline consumption from moving combustion is withdrawn from the system in L, density (kg/L) and lower heating value (TJ/kg) are multiplied by TJ and then converted to GJ by unit conversion.

Electricity consumption is obtained in MWh from electricity bills and then converted into kWh and then GJ (1 GJ:

277.77778 kWh; 1kWh: 0.0036 GJ)

### Water Management Indicators (thousand m<sup>3</sup>)

**Withdrawal - ground water:** Use of water resources below the ground surface of the enterprise

**Withdrawal - municipal water:** Water consumed by the enterprise and used through the network

**Wastewater:** The total amount of water produced as a result of the activities of the enterprise and subsequently discharged (treated or untreated)

### Water Consumption (Withdrawal-Wastewater) Total

**Water Withdrawal:** Total water consumption of the enterprise, the difference between the amount of water withdrawn and the amount of wastewater discharged

### Recovered Water through Recycling and Treatment:

The total amount of water reused through treatment, recycling and/or reclamation processes of wastewater obtained during the activities of the enterprise or from other water sources

**Water Consumption/Unit:** Normalized amount of total water consumption per unit of production or service of the enterprise

**Net Water Use/Unit:** Data obtained by subtracting the amount of wastewater from the amount of water withdrawn.

### Waste Management Indicators

**Waste Amount (tons)-Total Formula:** Waste Management (tons)-Total= Hazardous Waste (tons) + Non-hazardous Waste (tons)





## Social Performance Indicators

### Employee Figures

#### Employees by Gender (%) Formula

Number of Employees by gender (Female/Male) / Total Number of Employees x 100

#### Annual Average Employee Number by Gender (number)

Total of monthly Number of Employees by Gender (Female/Male) / 12

#### Total Employment Figures by Age Groups, including subsidiaries

Percentage of employees by age group (under 30 / between 30-50 / over 50) (%) Formula:

Number of employees in the relevant age group / Total number of employees x 100

### Employee Turnover

Employee turnover, employee turnover rate, and the number of employees who voluntarily leave the company are tracked. The number of employees who voluntarily leave the company is defined by the Company as unwanted departures.

#### Employee Turnover Rate (%) Formula:

Number of Employees Leaving (by Gender:Female/Male) / Year-end Number of Employees (by Gender:Female/Male) x 100

#### Voluntary Employee Turnover Rate (%) Formula:

Number of Voluntarily Resigned (by Gender:Female/Male) / Total Number of Employees (by Gender:Female/Male) x 100

### New Recruitment Figures (by Gender, Age and Location), incl. Subsidiaries

Percentage of Employees Hired During the Year, Including Subsidiaries (%) Formula:

Number of New Employees by Gender (Female/Male) / Year-end Employees by Gender (Female/Male) x 100

### Members of the Board of Directors by Gender

Percentage of Board Members by Gender (%) Formula:

Number of Board Members by Gender (Female/Male) / Total Number of Board Members x 100

### Managing High-Potential Employees

Ratio of Employees in STEM Positions (%) Formula:

Number of Employees in STEM Positions / Total Number of Employees x 100

### Ratio of Employees Undergoing Performance Appraisal (%) Formula:

Number of employees Undergoing Performance / Total number of employees x 100

### Customer Satisfaction Metrics

Call Center Resolution Satisfaction Rate (%) Formula:

Total Solution Satisfaction Score / Total Number of Responding Customers x 100

### Call Center Customer Satisfaction Rate (%) Formula:

Total Overall Satisfaction Score / Total Number of Responding Customers x 100

### Resolution Rate (%) Formula:

Number of Resolved Complaints / Total Number of Complaints Received x 100

### Service Center Satisfaction Rate (%) Formula:

Total General Satisfaction Score / Number of Responding Customers x 100

### Dealer Satisfaction Rate (%) Formula:

Total General Satisfaction Score / Number of Responding Customers x 100

### Roadside Assistance Response Time Satisfaction Rate (%) Formula:

Total Roadside Assistance Response Time Satisfaction Score / Total Number of Responding Customers x 100

### OHS Indicators

The following definitions and formulas are used in the calculation of occupational health and safety indicators. OHS Training Hours Formula (personxhours: OHS Training Hours x Total Number of Participants



## Economical Performance Indicators

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### Supply Chain Indicators

Local Supplier Ratio (%) Formula:

Number of local suppliers / Total number of suppliers x 100



## ANNEX 4. Independent Assurance Report



Güney Bağımsız Denetim ve SMMM A.Ş.  
Maslak Mah. Eski Büyükdere Cad.  
Orjin Maslak İş Merkezi No: 27  
Daire: 57 34485 Sanyer  
İstanbul - Türkiye

Tel: +90 212 315 3000  
Fax: +90 212 230 8291  
ey.com  
Ticaret Sicil No : 479920  
Mersis No: 0-4350-3032-6000017

### Independent Assurance Report To General Assembly of Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi İstanbul, Türkiye

This report is intended solely for the management of Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi (hereinafter 'Otokar') for the purpose of reporting of Selected ESG Information ("Selected Information") listed below in its Sustainability Report 2024 (hereinafter 'Sustainability Report 2024') that has been prepared by Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi for the period running from January 1, 2024, to 31 December 2024.

#### Subject Matter Information and Applicable Criteria

In line with the request of Otokar, our responsibility is to provide limited assurance with Selected Information listed below within the scope of the reporting approach of Otokar specified in "Annexes/Reporting Guidelines" ("Reporting Guidelines") included in pages 98-105 of Sustainability Report 2024.

#### The Scope of Our Assurance

The scope of our assurance is limited to the examination of Environmental Performance Indicators (pg. 80-85), Social Performance Indicators (pg. 22, 44, 57-77), Economical Performance Indicators (pg. 52, 54-55, 80).

### Environmental Performance Indicators

1. Transitioning to Low Carbon Economy and Clean Technologies - Metrics
  - Scope I Emissions (tons CO<sub>2</sub>e)
  - Scope II Emissions (tons CO<sub>2</sub>e)
  - Scope III Emissions (tons CO<sub>2</sub>e)
  - Scope I Emissions per Unit (tons CO<sub>2</sub>e/unit)
  - Scope II Emissions per Unit (tons CO<sub>2</sub>e/unit)
  - Scope III Emissions per Unit (tons CO<sub>2</sub>e/unit)
2. Energy Management Metrics
  - Direct Energy Consumption (GJ)
  - Indirect Energy Consumption (GJ) – (Grid)
  - Total Energy Consumption (GJ)
  - Energy Consumption by Unit (GJ/Unit) - Grid and SPP
3. Waste Management Metrics
  - Waste Generated (ton/unit)
  - Hazardous Waste Generated (tons/unit)
  - Total Waste (tons)
  - Recovered Waste (tons)
  - Recycled Waste Rate (%)
  - Environmental Fines (TL)
4. Indicators for Other Harmful Gases (tons)
  - Sulfur oxides (SO<sub>x</sub>/SO<sub>2</sub>)
  - Nitrogen oxides (NO<sub>x</sub>/NO<sub>2</sub>)
  - Non-methane volatile organic compounds (NMVOC)
  - Carbon monoxide (CO)

5. Water Stewardship Metrics (thousand m<sup>3</sup>)
  - Withdrawal – ground water
  - Withdrawal – municipal water
  - Total Water Withdrawal
  - Wastewater
  - Water Consumption (Withdrawal – Wastewater)
  - Recovered Water through Recycling and Treatment
  - Water Consumption/Unit
  - Net Water Use/Unit

### Social Performance Indicators

6. Employees by Gender
  - Total Employees
  - Number of Female Employees
  - Number of Male Employees
7. Gender Distribution
  - Total Female Employment Ratio (%)
  - Total Male Employment Ratio (%)
  - Annual Average Female Employee Number
  - Annual Average Male Employee Number
8. Employees by Type of Employment
  - Number of Part Time Female Employees
  - Number of Part Time Male Employees
  - Total Part Time Employees
  - Total Full Time Employees
  - Number of Full Time Female Employees
  - Number of Full Time Male Employees



9. Employees with Monthly-Hourly Salaries
  - Women with Monthly Salary
  - Men with Monthly Salary
  - Total Employees with Monthly Salary
  - Hourly Paid Women
  - Hourly Paid Men
  - Hourly Paid Total Employees
  - Full Time Monthly Paid Employees
  - Part Time Monthly Paid Employees
  - Full Time Hourly Paid Employees
  - Part Time Hourly Paid Employees
10. Trade Union Representation and OHS Structures
  - Number of Employees with a Position In Trade Unions
  - Number of Employees with a Position In Employer Associations
  - Employees in Workplaces without an OHS Committee or Equivalent Structure (such as Union Representation or Labor Relations Board)
11. Employees by Contract Type
  - Number of Permanent Female Employees
  - Number of Permanent Male Employees
  - Total Permanent Employees
  - Number of Temporary Female Employees
  - Number of Temporary Male Employees
  - Total Temporary Employees
12. Number of Disabled Employees
  - Disabled Female Employees
  - Disabled Male Employees
  - Total Disabled Employees
13. Total Employment Figures by Age Groups, incl. Subsidiaries
  - Under 30 Female Employees
  - Under 30 Male Employees
  - Under 30 Total Employees
  - Under 30 % Employees
  - Between 30-50 Female Employees
  - Between 30-50 Male Employees
  - Between 30-50 Total Employees
  - Between 30-50 % Employees
  - Over 50 Female Employees
  - Over 50 Male Employees
  - Over 50 Total Employees
14. Subcontractor Employees by Gender
  - Over 50 % Employees
  - Female Subcontractor Employees
  - Male Subcontractor Employees
  - Total Subcontractor Employees
15. Employee Turnover Rates (by Gender, Age and Location)
  - Female Employees Leaving
  - Male Employees Leaving
  - Total Employees Leaving
  - Female Employee Turnover Rate - % (Female Employees Leaving/Year-end Female Employee Count)
  - Male Employee Turnover Rate - % (Male Employees Leaving/Year-end Male Employee Count)
  - Employee Turnover Rate - % (Total Employees Leaving/Year-end Employee Count)
16. Employee Turnover Figures, incl. Subsidiaries
  - Number of female employees who voluntarily resigned
  - Number of male employees who voluntarily resigned
  - Total number of employees who voluntarily resigned
  - Female employee who resigned within the first year
  - Male employee who resigned within the first year
  - Female employees volunteer turnover rate (%)
  - Male employees volunteer turnover rate (%)
17. New Recruitment Figures (by Gender, Age and Location), incl. Subsidiaries
  - Newly Hired Female Employees
  - Newly Hired Male Employees
  - New Female Employee Ratio - % (New Female Employee Count /Year-end Female Employee Count)
  - New Male Employee Ratio - % (New Male Employee Count /Year-end Male Employee Count)
18. Members of the Board of Directors by Gender
  - Female Board Members
  - Male Board Members
  - Number of Board Members
  - Female Board Member Ratio (%)
  - Male Board Member Ratio (%)
19. Indicators for Equality
  - Number of Women in First-Level Manager Positions
  - Number of Men in First-Level Manager Positions
20. Indicators for Revenue-Generating Functions
  - Number of Female Managers in Revenue-Generating Functions
  - Number of Male Managers in Revenue-Generating Functions
21. Managing High-Potential Employees (Otokar) – Metrics
  - Ratio of Employees in STEM Positions (%)
  - Ratio of Employees Undergoing Performance Appraisal (%)
22. Parental Leaves and Allowances
  - Number of Female Employees Benefiting from Parental Leave
  - Number of Male Employees Benefiting from Parental Leave
  - Number of Total Employees Benefiting from Parental Leave
  - Number of Female Employees Returning to Work after Parental Leave
  - Number of Male Employees Returning to Work after Parental Leave
  - Number of Total Employees Returning to Work after Parental Leave
  - Number of Female Employees Benefiting from Childcare Allowances
  - Number of Male Employees Benefiting from Childcare Allowances
  - Number of Total Employees Benefiting from Childcare Allowances
23. Customer Satisfaction Metrics
  - Call Center Resolution Satisfaction Rate (%)
  - Call Center Customer Satisfaction Rate (%)
  - Resolution Rate (%)





- Service Center Satisfaction Rate (%)
  - Dealer Satisfaction Rate (%)
  - Roadside Assistance Response Time Satisfaction Rate (%)
24. Occupational Health and Safety Metrics
- OHS Training Hours (person\*hour)
  - OHS Training for Subcontractor Employees (person\*hours)
  - Occupational Disease Cases

#### **Economical Performance Indicators**

25. Environmental Investment
- Environmental Management and Investment Spending (TL million)
26. Supply Chain Metrics
- Number of Local Supplier
  - Local Supplier Ratio (%)
  - Suppliers audited according to environmental criteria
27. Number of Notifications to the Ethics Line
- Number of Notifications Reported to the Ethics Line

#### **Otokar's Responsibilities**

Otokar's management is responsible for the preparation, collection, and presentation of the information for the Selected Information. In addition, Otokar's management is responsible for ensuring that the documentation provided to the practitioner (EY) is complete and accurate. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Sustainability Report 2024, such that it is free from material misstatement, whether due to fraud or error.

#### **Our Responsibilities**

We conducted our assurance engagement in accordance with the Assurance Engagement Standard (AES) 3000 and 3410 which is a part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). These regulations require that we comply with the ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Selected Information.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were

designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures selected depend on the practitioner's judgment. The procedures include inquiry of the personnel responsible for collecting and reporting on the Selected Information and additional procedures aimed at obtaining evidence about the Selected Information.

#### **Procedures Applied**

In respect of the Selected Information mentioned above the procedures performed include the following procedures:

1. Interviewed select key senior personnel of Otokar to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
2. Reviewed Selected Information through online and face to face interviews with personnel at Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi's domestic and international locations, as well as through other available documentation for Otokar's other locations in Türkiye, against evidence, on a sample basis;
3. Undertook substantive testing, on a sample basis, of the Selected Information;
4. Used Otokar's internal documentation to evaluate and measure the Selected Information;
5. Evaluated the design and implementation of key processes and controls over the Selected Information;
6. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period.
7. Evaluated the disclosure and presentation of the Selected Information in the Sustainability Report 2024.

#### **Our Conclusion**

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that Selected Information for the year ended in December 31, 2024, has not been prepared, in all material respects in line with GRI Standards and the relevant requirements of the criteria as defined in Reporting Guidelines.



### **Limitations**

We permit this report to be disclosed in addition to Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi's Sustainability Report 2024 for the year ended on December 31, 2024; to enable the management of Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi for our work, for this independent limited assurance report, or for the conclusions we have reached.

Güney Bağımsız Denetim ve Serbest  
Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global  
Limited

**Didem Tuşel Özdoğan, SMMM**  
PPartner

29 July 2025  
İstanbul, Türkiye

# Otokar

Otokar Otomotiv ve Savunma Sanayi A.Ş.

## HEADQUARTERS

Taşdelen Mahallesi, Sırrı Çelik Bulvarı No:5

Çekmeköy 34788 İstanbul, Türkiye

**P:** +90 216 489 29 50

[www.otokar.com.tr](http://www.otokar.com.tr)

## FACTORY

Atatürk Cad. No: 6, 54580

Arifiye, Sakarya - Türkiye

**P:** +90 264 229 22 44

[www.otokar.com.tr](http://www.otokar.com.tr)

## For your feedback, opinions and suggestions, please contact:

Corporate Communications and Sustainability Directorate

*Beril Gönüllü, Corporate Communications and Sustainability Director*

*Selin Özdemir, Corporate Communications and Sustainability*

*Supervisor*

**P:** +90 216 489 29 50



## Financial Sustainability Consultancy

FCS Finansal İletişim Hizmetleri Ltd. Şti.

[www.finansaliletisim.com](http://www.finansaliletisim.com)

**P:** +90 212 283 41 46



## Report Design

Demirbağ Creative

[www.demirbag.net](http://www.demirbag.net)

**P:** +90 212 347 47 80

**Otokar**