

# CORPORATE GOVERNANCE

## DECLARATION OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

### DECLARATION OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

Otokar closely follows the best sustainability practices, including those specified in the Capital Market Board's (CMB) Sustainability Principles Compliance Outline, and carries out activities with the aim of complying with the generally accepted best practices. The majority 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. However, full compliance with all the principles has not yet been achieved due to the challenges in implementing some of these principles, uncertainties in the overall national and international landscape, certain principles not fully aligning with the current structure of the company, and the fact that some compliance principles will be identified based on the findings of ongoing studies. Once these ongoing studies within the scope of internationally accepted practices are completed, Otokar aims to align with the principles that currently lack full compliance. The practices that are congruent with the principles specified in CMB's Sustainability Principles Compliance Outline are disclosed in various sections of the Annual Reports, corporate website, and Sustainability Reports. The explanations provided in the Declaration Table also include references to the information disclosed in the latest Sustainability Reports. Otokar releases its Sustainability Reports, which provide the most comprehensive statements on the management of social, environmental and governance risks, at the beginning of the third quarter every year. Otokar monitors the impact on environmental and social risk management due to lack of full compliance with the non-mandatory principles and considers such impact in its sustainability-related work.

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. A process is ongoing to publicly disclose the verification results of other environmental and social indicators in the years to come.

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 for Scope 1, Scope 2 and Scope 3 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. Otokar started to work on setting targets in line with the Science Based Targets initiative (SBTi) in 2022.

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 disclosed to the public 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 evaluated as suitable will be implemented as part of the strategy determined for this purpose.

Principle B24 - The company is considering different tools to employ for transitioning to a low-carbon economy, and those evaluated as suitable will be implemented as part of the strategy determined for this purpose.

Principle B25 - The annual Sustainability Reports are the primary channel for transparent disclosure of environmental performance. The corporate website and the Annual Report also contain the environmental indicators.

The Sustainability Principles Compliance Report, prepared according to the formats specified in the CMB's decision no. 34/977 dated 23.06.2022 and approved by the Otokar Board of Directors, is included in the appendix of the Annual Report (pages 93-101), and the relevant documents can be accessed through Otokar's page on the Public Disclosure Platform: (<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1046-otokar-otomotiv-ve-savunma-sanayi-a-s>). In accordance with the decision of the Public Oversight, Accounting and Auditing Standards Authority dated December 29, 2023, the report to be prepared in line with the Turkey Sustainability Reporting Standards will be disclosed to the public within the legal timeframe.

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		COMPLIANCE STATUS					
		Yes	No	Partial	N/A	Explanation	Report/Link Where Related Information Is Disclosed Publicly
<b>A. General Principles</b>							
<b>A1. Strategy, Policy and Goals</b>							
A1.1	The Board of Directors should determine ESG-priority issues, risks and opportunities, and form ESG policies in accordance with them. For the sake of effective implementation of the aforesaid policies, internal directives, work procedures, etc. may be prepared for the corporation. For these policies, a decision of the Board of Directors should be taken and made public.	X				<p>The Board of Directors is the governing body responsible for identifying the risks and determining strategic direction in social, economic and environmental issues within the scope of sustainability, which lies at the core of Otokar's activities. The CMB Sustainability Principles Compliance Report, prepared once a year in accordance with the principles determined by the CMB pursuant to its decision dated 23.06.2022, is reviewed by the Corporate Governance Committee and submitted to the Board of Directors for approval to be included in the Annual Report and disclosed via the Public Disclosure Platform.</p> <p>The General Manager, who is also a Board member, ensures that sustainability-focused activities are carried out in compliance with corporate policies and applicable regulations. While sustainability-related responsibilities remain with the Board of Directors, the company's material topics are identified through workshops held with the Sustainability Working Group Members and Senior Management. Operational activities are coordinated by the Corporate Communications and Sustainability Department.</p>	<p>Annual Report Sustainability Section (pp. 56-65)</p> <p>Sustainability Report (p. 30)</p> <p><a href="https://www.otokar.com.tr/getmedia/47eb9cea-1c36-49b7-84b9-d95db4985b5c/otokar-sr-tr-2023-1">https://www.otokar.com.tr/getmedia/47eb9cea-1c36-49b7-84b9-d95db4985b5c/otokar-sr-tr-2023-1</a></p>
	Should determine a Corporation Strategy in compliance with ESG policies, risks and opportunities	X				Otokar's ESG policies are publicly available on the corporate website (link in the next column).	<a href="https://www.otokar.com.tr/sustainability/sustainability">https://www.otokar.com.tr/sustainability/sustainability</a>
A1.2	Should determine and publicly disclose its short and long-term goals in line with its ESG policies.		X			While 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	Annual Report, Declaration of Compliance with Sustainability Principles (p.92)
<b>A2. Implementation / Monitoring</b>							
A2.1	Should appoint and publicly disclose its committees/units in charge of implementation of ESG policies.	X				The Sustainability Working Group reports its activities directly to the General Manager, who is also a Board member and responsible for ensuring that sustainability-related work complies with corporate policies and applicable regulations. Monitoring the social, environmental and economic impacts of operations and the stakeholder expectations with a risk- and opportunity-focused approach is the responsibility of the Sustainability Working Group. While sustainability-related responsibilities remain with the Board of Directors, the company's material topics are identified through workshops held with the Sustainability Working Group Members and Senior Management.	<p>Annual Report Sustainability Section (p. 56-65)</p> <p>Sustainability Report (p. 30)</p> <p><a href="https://www.otokar.com.tr/getmedia/47eb9cea-1c36-49b7-84b9-d95db4985b5c/otokar-sr-tr-2023-1">https://www.otokar.com.tr/getmedia/47eb9cea-1c36-49b7-84b9-d95db4985b5c/otokar-sr-tr-2023-1</a></p>

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		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
	Committees/units in charge, should report the activities carried out under the policies to the Board of Directors at least once a year and in any case, within the maximum periods of time stipulated for disclosure of annual reports in the regulations of the Board pertaining thereto.	X				The Board of Directors is kept up to date about the efforts to comply with the Sustainability Principles through the Corporate Governance Committee.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p.18,19,31) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
A2.2	Should formulate and publicly disclose the implementation and action plans in line with the short and long-term goals determined as above.	X				The objective of Otokar's Sustainability Model is to draw up a roadmap that respects the environment, people and the future to strengthen the company's business strategy in the automotive and defense industries as an organization that acts with environmental, social, and governance responsibility and values stakeholder engagement. Otokar Sustainability Model aims to move forward with a holistic and inclusive approach.	Annual Report Sustainability Section Sustainability Report (p. 30) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
A2.3	Should determine ESG Key Performance Indicators (KPIs) and declare them comparatively on an annual basis.	X				ESG KPIs and their evolution over the years are published in the Annual Reports and Sustainability Reports.	Annual Report Sustainability Section Sustainability Report (pp. 56-65) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
A2.4	Should declare innovation activities aimed to improve the sustainability performance in relation with business processes or products and services.	X				Information on the alternative fuel vehicles with reduced environmental impact and the improvement efforts in this area is provided in the Annual Reports and Sustainability Reports.	Annual Report Sustainability Section Sustainability Report (p. 10) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
<b>A3. Reporting</b>							
A3.1	Should report and publicly disclose its sustainability performance, goals and actions at least once a year. Should provide information about its sustainability activities within its annual report.	X				Otokar discloses information regarding the activities categorized under the environmental, social and corporate governance topics, performance results and related targets to its stakeholders. Information on Otokar's sustainability efforts is communicated through Sustainability Reports as well as Annual Reports and the corporate website. Starting with Otokar employees, all stakeholders are provided with information on the company's environmental, social and governance policies and practices.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 31) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
A3.2	It should provide information as to with which of the United Nations (UN) 2030 Sustainability Development Goals its activities are related.	X				Otokar publicly discloses its activities in areas identified as material topics through annual and sustainability reports and provides information about how the relevant KPIs are connected to different SDGs.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 34) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
A3.3	It should disclose information about lawsuits filed and/ or completed against it in environmental, social and corporate governance issues.	X				All materially significant lawsuits filed against the Company and their financial consequences are disclosed to the public in the Legal Disclosures and Consolidated Financial Statements sections of the Annual Reports.	Annual Report, Legal Disclosures Consolidated Financial Statements (pp. 114-118)
<b>A4. Verification</b>							
A4.1	If verified by independent third parties (independent sustainability assurance providers), it should disclose its sustainability performance measures, and should endeavor to increase said verification actions.			X		Otokar works with an independent third party for verification purposes to further improve the reliability of the consolidated financial statements disclosed to the public. A process is ongoing to publicly disclose the verification results of other environmental and social indicators in the years to come.	Annual Report, Declaration of Compliance with Sustainability Principles (p. 92)

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B. Environmental Principles							
B1	Should declare its policies and practices, action plans, and environmental management systems (known as ISO 14001 standard) and programs.	X				Otokar’s Environmental Policy is the reference document regarding the management of environmental issues. Through the Environmental Policy, Otokar expresses its commitment to environmental protection, efficient use of natural resources, compliance with applicable regulations, carrying out improvement work to reduce environmental impact, and establishing systems and processes for environmental control. Otokar's operations are certified according to the ISO 14001 Environmental Management System.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 70)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>  <a href="https://www.otokar.com.tr/sustainability/sustainability">https://www.otokar.com.tr/sustainability/sustainability</a>
B2	Should disclose limitations to the environmental report that will be prepared under the Sustainability Principles, reporting period, reporting date, data collection process and restrictions in reporting conditions.	X				Information on the environmental reporting scope, period and limitations is provided in the Sustainability Reports.	Sustainability Report (pp. 70-76)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B3	Provided in A2.1.						
B4	Should disclose the incentives it offers for management of environmental issues, including the achievement of goals.	X				Environmental targets are included in the scorecards of company managers and employees, and environmental performance, monitored with a scorecard system, is reported to the General Manager and the Board of Directors. Environmental performance results are communicated to the stakeholders through reporting and shared with the employees via internal communication channels. Environment-related topics are monitored through 22 key performance indicators (KPIs). In determining these indicators, GRI standards, environmental issues, industry norms and requirements, and Koç Group’s material environmental topics are considered. The annual Sustainability Reports are the primary channel for transparent disclosure of environmental performance. Environmental KPIs are also provided on the corporate website and in Annual Reports.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 33)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B5	Should disclose how environmental issues are integrated into business objectives and strategies.	X				Otokar’s material topics are identified at workshops with the participation of Working Group members and senior management. The identified material topics are reviewed by external experts every year and updated as needed. The objective of Otokar’s Sustainability Model, which is defined during these activities, is to draw up a roadmap that respects the environment, people and the future to strengthen the company’s business strategy in the automotive and defense industries as an organization that acts with environmental, social, and governance responsibility and values stakeholder engagement. Otokar’s Sustainability Model aims to move forward with a holistic and inclusive approach.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 30)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B6	Provided in A2.4.						
B7	Should disclose how it manages environmental issues and integrates suppliers and customers into its strategies, not only in terms of direct operations, but also along the corporation value chain.	X				Otokar expects its suppliers and business partners to adopt the same environmental management approach. Accordingly, Otokar aims to spread the environmental management approach across its entire value chain beyond its own operations. Therefore, Otokar includes compliance with environmental standards and environmental impact management criteria in the supplier selection process. The environmental performance of suppliers is also monitored through regular inspections.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 28-44-45)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>

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B8	Should disclose whether it is included in the (sectoral, regional, national and international) policy formulating processes on environmental issues or not, as well as associations it is a member of, its environmental cooperation initiatives entered into with related institutions and non-governmental organizations, and its duties and functions, if any, assumed thereon, and the activities supported by it.	X				Environment is an area where Otokar aims to create more positive impact through collaborations and joint efforts. Accordingly, Otokar partners with different stakeholder groups and NGOs. Otokar attends the monthly meetings of the Koç Group Environmental Committee as a member, contributing to Group companies by sharing its best practices. Otokar also takes an active role in the Environmental Working Groups of OSD and TÜSIAD, which provide platforms for Otokar to engage with businesses in proximity. Such engagements facilitate discussions and collaborations regarding legislative changes, EU compliance directives, local sanctions, and investments. These collaborations are disclosed to the public through Annual Reports and Sustainability Reports.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 32-71)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B9	Should periodically report in a comparable manner, information about environmental effects in the light of environmental indicators [Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)), air quality, energy management, water and waste management, biodiversity effects].			X		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 for Scope 1, Scope 2 and Scope 3 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. Otokar started to work on setting targets in line with the Science Based Targets initiative (SBTi) in 2022.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 33)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B10	Should disclose details in relation to standards, protocols, methodologies and base year employed for collection and calculation of its data.	X				The GRI Standards are taken as basis in ESG data reporting.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 3)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B11	Should declare the status of environmental indicators for the reporting year in comparison with past years (increase or decrease).	X				Environment-related topics are monitored through 22 key performance indicators (KPIs). In determining these indicators, GRI standards, environmental issues, industry norms and requirements, and Koç Group's material environmental aspects are considered. The annual Sustainability Reports are the primary channel for transparent disclosure of environmental performance. Environmental KPIs are also provided on the corporate website and in Annual Reports. Disclosing five-year historical data regarding environmental KPIs provides an opportunity to make retrospective comparisons.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (pp. 70-76)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B12	Should determine and disclose short and long-term goals for reduction of its environmental impact. If an improvement is detected in the reporting year over the previously determined goals, it should provide information thereabout.		X			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	Annual Report, Declaration of Compliance with Sustainability Principles (p. 92)
B13	Should disclose its strategy and actions for fight against climate crisis.	X				Otokar's efforts to combat climate change are carried out within the framework of the Environmental Policy, Energy Policy, R&D Strategy, Koç Group's Climate Change Strategy, and Koç Group Climate Change Management. At Otokar, the Board of Directors determines the climate change strategies. Otokar manages climate change with an approach focused on considering risks and seizing opportunities. Accordingly, a climate change-focused risk analysis study was conducted within the scope of Task Force on Climate-related Financial Disclosures (TFCD). Sustainable products, services, and strategies that facilitate the shift to a low carbon economy were considered on the basis of risks and opportunities. The core strategy that Otokar follows to combat climate change involves limiting the impact of its products and production processes on climate. As part of these efforts, Otokar monitors the energy consumption in its production processes and the greenhouse gas emissions released. The company has also implemented a number of efficiency projects to reduce energy consumption and emissions.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 73)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>

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B14	Should disclose its programs or procedures aiming to prevent or minimize the potential negative effects of its products and/or services.	X				Information on the alternative fuel vehicles with reduced environmental impact and the improvement efforts in this area is provided in Annual Reports and Sustainability Reports.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 8-11) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
	Should also declare the actions of third parties aiming to reduce greenhouse gas emissions.			X		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 disclosed to the public due to the nature and dynamics of the suppliers' respective industries	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (pp. 70-76) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B15	Should declare the total number of actions taken, projects implemented and initiatives entered into for reduction of its environmental impact, as well as their environmental benefits and cost savings.		X			While the company discloses the administrative and investment costs of environmental management activities, the returns on the efficiency-focused activities are not declared.	Annual Report, Declaration of Compliance with Sustainability Principles (p. 92)
B16	Should report total energy consumption data (with the exception of raw materials), and disclose its energy consumptions as Scope-1 and Scope-2.	X					Annual Report Sustainability Section (pp. 56-65) Sustainability Report (pp. 72-74) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B17	Should provide information about electricity, heat, steam and cooling generated and consumed in the reporting year.	X					Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 74) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B18	Should carry out and disclose works on increasing the use of renewable energy sources, and transition to zero or low carbon electricity.	X					Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 74) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B19	Should conduct energy efficiency projects, and disclose the resulting reduction in energy consumption and emission due to its projects.	X					Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p.74) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B20	Should conduct energy efficiency projects, and disclose the resulting reduction in energy consumption and emission due to its projects.	X					Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 74) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B21	Should report quantities, sources and procedures of water extracted from underground or ground waters, used, recycled and discharged (Total water extraction on source basis, water sources affected from water extraction, percentage and total volume of recycled and reused water, etc.).	X					Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 76) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
B22	Should disclose whether its operations or activities are included in any carbon pricing system or not (Emission Trade System, Cap & Trade or Carbon Tax).	X				Since the regulatory processes regarding these issues are ongoing with the relevant public institutions in Türkiye, Otokar is not part of any carbon pricing system yet. The company is considering different tools to employ for transitioning to a low-carbon economy, and those evaluated as suitable will be implemented as part of the strategy developed for this purpose.	Annual Report Declaration of Compliance with Sustainability Principles (p. 92)
B23	Should disclose its carbon credit data accumulated or bought in the reporting period.		X			The company is considering different tools to employ for transitioning to a low-carbon economy, and those evaluated as suitable will be implemented as part of the strategy developed for this purpose.	Annual Report, Declaration of Compliance with Sustainability Principles (p. 92)

# CORPORATE GOVERNANCE

## DECLARATION OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
B24	If carbon pricing is applied in the corporation, it should disclose details relating thereto.		X			The company is considering different tools to employ for transitioning to a low-carbon economy, and those evaluated as suitable will be implemented as part of the strategy developed for this purpose.	Annual Report, Declaration of Compliance with Sustainability Principles (p. 92)
B25	Should disclose all mandatory and voluntary platforms where its environmental data are disclosed.	X				The annual Sustainability Reports are the primary channel for transparent disclosure of environmental performance. Environmental KPIs are also provided on the corporate website and in Annual Reports.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 31, 70) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
<b>C. Social Principles</b>							
<b>C1. Human Rights and Employee Rights</b>							
C1.1	Should establish a Corporate Human Rights and Employee Rights Policy covering its commitment of full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye, and legal framework and legislation regulating human rights and labor issues in Türkiye. Should disclose the aforesaid policy and the roles played and responsibilities assumed in the implementation of the policy.	X				These issues are disclosed in Otokar Human Rights Policy.	<a href="https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies">https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies</a>
C1.2	Should provide equal opportunities in recruitment processes. Includes fair labor, improvement of working standards, employment of women and social inclusion issues (such as nondiscrimination towards women, men, religious beliefs, language, race, ethnical origin, age, disablement, refugees, etc.) in its policies by also considering the supply and value chain effects.	X				These issues are disclosed in Otokar Human Rights Policy.	<a href="https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies">https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies</a>
C1.3	Should disclose measures taken along the value chain for the sake of supervision and protection of rights/equal opportunities for minorities or certain population segments vulnerable to particular economic, environmental and social factors (low-income segments, women, etc.).	X				Otokar's Code of Ethics is based on and aligned with Koç Holding Code of Ethics and Implementation Principles, and binding on all Otokar employees, suppliers and partners. Similarly, UN Global Compact, to which Koç Holding is a party on behalf of all Group companies, is binding on Otokar's entire value chain. Therefore, Otokar strives to spread the ethical principles. These issues are also disclosed in Otokar's Supply Chain Compliance Policy.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (pp. 27, 55, 59) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a> <a href="https://www.otokar.com.tr/getmedia/10e527b4-289a-47e0-b7da-f3a4eb1ec4db/otokar-supply-chain-compliance-policy-2024">https://www.otokar.com.tr/getmedia/10e527b4-289a-47e0-b7da-f3a4eb1ec4db/otokar-supply-chain-compliance-policy-2024</a> <a href="https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies">https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies</a>
C1.4	Should report developments relating to applications aiming to prevent and correct discrimination, inequality, breaches of human rights and forced labor, and disclose its regulations and measures aiming to prevent employment of child labor.	X				These issues are also disclosed in the Human Rights Policy and Supply Chain Compliance Policy.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 26, 27, 28, 55, 67) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a> <a href="https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies">https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies</a> <a href="https://www.otokar.com.tr/getmedia/10e527b4-289a-47e0-b7da-f3a4eb1ec4db/otokar-supply-chain-compliance-policy-2024">https://www.otokar.com.tr/getmedia/10e527b4-289a-47e0-b7da-f3a4eb1ec4db/otokar-supply-chain-compliance-policy-2024</a>

# CORPORATE GOVERNANCE

## DECLARATION OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
C1.5	Should disclose its policies regarding investments in employees (training and development policies), compensations, fringe benefits, unionization rights, work/life balance solutions and talent management.	X				These issues are also disclosed in Otokar's Code of Ethics and Human Rights Policy and available under the human resources tab on the website.	<a href="http://www.otokar.com.tr/surdurulebilirlik/">www.otokar.com.tr/surdurulebilirlik/</a> <a href="https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies">www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies</a> <a href="https://www.otokar.com.tr/getmedia/fe936da4-d85c-4925-928a-310a8cebe7a1/otokar-human-rights-policy-2024">https://www.otokar.com.tr/getmedia/fe936da4-d85c-4925-928a-310a8cebe7a1/otokar-human-rights-policy-2024</a>
	Should determine dispute resolution processes through the establishment of mechanisms for resolution of employee complaints and disputes, and determine its dispute resolution processes.	X				These issues are addressed in the company's Whistleblowing Policy, Code of Ethics, and Human Rights Policy.	<a href="http://www.otokar.com.tr/surdurulebilirlik/">www.otokar.com.tr/surdurulebilirlik/</a> <a href="https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies">https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies</a>
	Regularly declares its activities aimed at employee satisfaction.	X				Otokar believes that employees should pursue work-life balance and promotes a work environment where this can be possible through a number of practices. Accordingly, the company organizes various events and activities to support the social life of the employees and strengthen interpersonal communication. For this purpose, employee clubs also host various events that the employees may attend with their families.	Annual Report Human Resources Section (pp.66-67) Sustainability Report (p. 55) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a> <a href="https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies">https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies</a>
C1.6	Should formulate and disclose its occupational health and safety policies.	X				Otokar aims to protect the health and safety of its employees through maximum measures and practices. The occupational health and safety (OHS) activities are carried out in accordance with the OHSAS 18001 Standard and the OHS Policy, which is disclosed to the employees and other stakeholders through various communication channels.	<a href="https://www.otokar.com.tr/sustainability/occupational-health-and-safety-policy">https://www.otokar.com.tr/sustainability/occupational-health-and-safety-policy</a> Sustainability Report (p. 63) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
	Should disclose actions and measures taken for protection of health and against occupational accidents, and occupational accident statistics.	X				OHS data is disclosed under the relevant heading on the "Sustainability" page of the Annual Report and in the Sustainability Report.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 63) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
C1.7	Should formulate and disclose to public its personal data protection and data security policies.	X				Protection of personal data is another topic that Otokar manages diligently. Otokar Personal Data Protection Policy provides an overview of the principles that the company adopts for processing personal data. Through this policy, Otokar informs the personal data subjects transparently. Processes regarding the protection of the employees' personal data are managed according to the Personal Data Protection and Processing Policy for Employees, which is published on the corporate website.	<a href="https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies">https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies</a>
C1.8	Should formulate and disclose its ethics policy.	X				Otokar Code of Ethics is published on the corporate website.	<a href="https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies">https://www.otokar.com.tr/code-of-ethics-and-compliance-policies/code-of-ethics-and-compliance-policies</a>
C1.9	Should disclose initiatives focused on social investment, social responsibility, financial inclusion and access to finance.	X				Otokar recognizes that its operations impact its stakeholders, the environment and society as a whole, and takes responsibility for sustainable development. The Social Investment Policy demonstrates Otokar's commitment to contributing to the welfare of its communities and the sustainable development of the environment. The relevant policies are published on the corporate website	<a href="https://www.otokar.com.tr/getmedia/56472490-c34a-4aa5-8832-24a9d3c7bee0/otokar_toplumsal-yatirim-politikasi-28092021">https://www.otokar.com.tr/getmedia/56472490-c34a-4aa5-8832-24a9d3c7bee0/otokar_toplumsal-yatirim-politikasi-28092021</a>

# CORPORATE GOVERNANCE

## DECLARATION OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
C1.10	Should organize information meetings and training programs for employees with respect to ESG policies and applications.	X				Employees receive training on legal compliance, OHS and environmental policies and practices within the scope of ESG topics.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 63) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
	<b>C2. Stakeholders, International Standards and Initiatives</b>						
C2.1	Should formulate and disclose its customer satisfaction policy dealing with management and resolution of customer complaints	X				Otokar aims to establish long-term relations based on mutual trust with its customers while ensuring their unconditional satisfaction. Customer satisfaction is managed within the framework of Customer Satisfaction Policy and 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.  Product and service responsibility is a key component of customer satisfaction. For this purpose, Otokar continuously works to enhance the safety of its products and keeps the customers informed about the latest developments while considering social, environmental and economic impact across its production and service operations.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 51) <a href="https://www.otokar.com.tr/surduurulebilirlik/musteri-memnuniyeti-politikasi">https://www.otokar.com.tr/surduurulebilirlik/musteri-memnuniyeti-politikasi</a> <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
C2.2	Should handle stakeholder communications continuously and transparently, and disclose with which stakeholders, for which purposes, on which issues and in which frequency it communicates.	X				Otokar follows applicable laws and regulations and capital markets legislation in shareholder relations. Information about the company is disclosed to interested parties at the annual ordinary General Assembly Meetings and through Annual Reports, Sustainability Reports, annual and quarterly Earnings Releases, periodic analyses and information documents, corporate website, press releases, material event disclosures, meetings and interviews. In all its operations, Otokar aims to create value for all its stakeholders. Therefore, it seeks to understand stakeholder expectations and develop the right responses as a key part of the value creation process. Accordingly, Otokar engages in active communication with all relevant stakeholder groups. The method and frequency of communication is shaped according to stakeholder requirements and expectations. Communication with the stakeholders is always constructive, transparent and based on mutual trust and cooperation. As part of stakeholder communications, Otokar supports the activities of NGOs and platforms by becoming a member and taking responsibility in such organizations' management bodies.	Sustainability Report (p. 31) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
C2.3	Should disclose international reporting standards it has adopted.	X				GRI Standards are taken as basis in sustainability reporting.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 3) <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>

# CORPORATE GOVERNANCE

## DECLARATION OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
C2.4	Should disclose the international organizations or principles it has signed or enrolled in and the international principles it has adopted.	X				Otokar attends the monthly meetings of the Koç Group Environmental Committee as a member, contributing to Group companies by sharing its best practices. Otokar also takes an active role in the Environmental Working Groups of OSD and TÜSIAD.	Annual Report Sustainability Section (p. 56-65) Sustainability Report (p. 32-71)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
C2.5	Should concretely endeavor to be included in the Borsa Istanbul Sustainability Index and international sustainability indices.	X				Otokar aims to create long-term value by combining 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.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 8)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
	<b>D. Corporate Governance Principles</b>						
D1	Should consult with stakeholders in determination of measures and strategies in sustainability field.	X				In 2021, 14 different stakeholder groups were consulted while updating Otokar's material topics to be used in determining the company's sustainability models and strategies.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (p. 30)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>
D2	Should endeavor to raise awareness on sustainability and the importance thereof through social responsibility projects, awareness activities and trainings.	X				As a company that is conscious of its corporate responsibilities, Otokar takes an active role in supporting the development of the country and society and protecting the environment. Otokar also supports the "For My Country" project, which aims to encourage Koç Group companies, employees, dealers and suppliers to engage in social responsibility efforts and to launch projects to elevate the living standards by contributing to local development. Otokar's environment-focused efforts have been recognized with multiple awards by institutions such as the Ministry of Environment, Sakarya Governor's Office, Istanbul 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.	Annual Report Sustainability Section (pp. 56-65) Sustainability Report (pp.47-50)  <a href="https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1">https://www.otokar.com.tr/getmedia/7cddc2a9-7ff1-4976-96e9-698e055b5c98/otokar-sr-en-2023-1</a>