Otokar

SUSTAINABILITY REPORT **2025**

ABOUT THE REPORT

We have disclosed our sustainability performance transparently since 2013 through reports prepared in accordance with GRI Standards. We have also been listed in the BIST Sustainability Index since 2014, affirming our ongoing commitment.

We are pleased to present Otokar's 2025 Sustainability Report ("Sustainability Report"), prepared in line with sustainability reporting frameworks. The report provides an overview of our sustainability-related activities throughout the year as well as our core values and financial and sustainability metrics for the reporting period.

Report Scope and Content

In this report, the terms "Company" and "Our Company" refer to Otokar Otomotiv ve Savunma Sanayi A.Ş., and unless otherwise stated, the data and information contained in this report express the Company's global operations on five continents. The information presented in the Sustainability Report covers the period from January 1, 2025 to December 31, 2025.

We address our operational impact around our four strategic priorities - "For Business," "For the Planet," "For People," and "For Communities" – and reinforce our value creation approach of contributing to sustainable development. We disclose how we manage our performance and its impact on our ecosystem based on the three pillars of sustainability - Environmental, Social, and Governance (ESG) - in the relevant sections of this report. The performance indicators are presented in the **"Annexes"** section, informing our stakeholders and the public in accordance with the principles of measurability, comparability, and transparency.

STANDARDS AND FRAMEWORKS

This Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. The value creation model approach was developed by considering the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC). The GRI Content Index is included the **"Annexes"** section, and the performance indicators disclosed in this report are primarily based on the GRI Standards.

ASSURANCE

We have received limited assurance for 99 non-financial performance indicators in 2025. Within the scope of limited assurance engagement, the information provided in this report has been audited by Güney Bağımsız Denetim ve SMMM A.Ş. (EY). More information on the data subjected to limited assurance is provided in the **"Independent Assurance Report"** section.

Please submit your opinions, feedback, and suggestions about the report to **kurumsaliletisim@otokar.com.tr**.

GENERAL MANAGER'S MESSAGE

'Securing a better future for our company and the broader ecosystem we operate within is a strategic priority.'

Esteemed Stakeholders,
Since our founding, we have been guided by a core mission: to create value for our business, for people, and for society at large. Sustainability is central to this commitment. We work to use our resources efficiently, reduce our environmental footprint, generate social benefit, and build long-term value. Securing a better future for our company and the broader ecosystem we operate within is a strategic priority.

Being part of the Koç Group, which is celebrating its centennial in 2026, gives us a strong foundation in our endeavors. The Koç Group's values, priorities, and goals shape our sustainability vision and guide us as we move forward with confidence.

The global economy in 2025 was shaped by persistent uncertainties, including high inflation, diverging interest rate policies, and geopolitical risks that weighed on consistent growth. Against this backdrop, we maintained our financial discipline and long-term perspective. Our flexible production capabilities and innovative solutions allowed us to respond swiftly to shifting market demands, while our balanced portfolio of commercial vehicles and defense products provided a strategic advantage against volatility and supported our continued growth.

The dynamism across the global defense and mobility sectors, the growing emphasis on localisation in defense, and the accelerating push for green transition in mobility all represent meaningful opportunities for engineering-driven, sustainability-focused companies. At Otokar, we are committed to advancing our sustainability performance in line with international standards, building on our engineering strengths, operational flexibility, and user-centric approach.

In 2025, we continued to deliver strong results in commercial vehicles, extending our leadership in the Turkish bus segment for the 17th consecutive year. Global collaborations built around joint product development and co-production gained traction across the automotive industry, with capacity

İbrahim Aykut Özüner
General Manager

utilization, cost reduction, resource optimization, and efficiency improvements emerging as key priorities. At Otokar, following our collaboration with Iveco the previous year, we signed a new agreement with Daimler Buses. Drawing on our more than 60 years of experience as Türkiye's first bus manufacturer, we will begin serial production of Mercedes-Benz Conecto buses at our Sakarya plant in partnership with Daimler Buses by the end of 2026. This collaboration reaffirms our high-quality manufacturing capabilities and opens an important avenue to utilize our capacity more effectively, improve efficiency, and strengthen our standing in the international market as one of Europe's five largest bus manufacturers. We also expanded our commercial vehicle portfolio with light trucks and pickup trucks, generating sustainable revenue growth through new customer relationships.

As a long-standing supplier to NATO and the United Nations, we were Türkiye's leading land vehicle exporter for the second consecutive year. Backed by high-volume orders, we ranked among Türkiye's top 10 defense industry exporters. Across geographies, the strategic importance of domestic production capabilities and technology in defense, both for national security and economic development, is increasingly recognized. Our ability to leverage technology transfer and local production capacity gives us a meaningful competitive edge and opens collaboration opportunities in our target markets. Our Romania project illustrates this well: more than 270 armored vehicles delivered in 2025 have entered the Romanian Army's inventory. In 2026, we achieved a first for Turkish land systems by producing an armored vehicle in Europe. In pursuit of our global growth targets, we continue to advance projects across multiple geographies and broaden our international presence.

In 2025, Otokar's total sales volume grew by 39% and total revenue rose by 18% in Turkish Lira terms year over year, reaching TL 52 billion. The delivery of high-value orders and easing inflation supported our profitability, and through effective cost management and operational discipline, we posted TL 2.2 billion in earnings before interest, depreciation, and taxes in 2025.

We allocated 4% of our revenue to R&D, focusing on alternative fuel and low-emission vehicle solutions with new technologies to reduce our carbon footprint and minimize our environmental impact. In 2025, we continued exporting alternative fuel buses to the European market, and our Level 4+ autonomous electric public transportation bus entered service in Spain for the first time.

In 2025, we published our first TSRS-compliant Sustainability Report in accordance with Turkish Sustainability Reporting Standards. We reviewed the structure and functioning of our sustainability committee from a corporate governance perspective and publicly disclosed our sustainability targets. Guided by our principles of transparency, accountability, and ethical conduct, we continued to prioritize open, trust-based communication with all our stakeholders. These efforts contributed to an improvement in our corporate governance rating to 9.70.

Honoring our environmental responsibilities, we completed 35 energy efficiency projects in 2025, saving 3.03 million kWh of electricity and 60,000 sm^3 of natural gas. This work was recognized with an award at the Turkish Ministry of Industry's Productivity Project Awards. We achieved a 6% reduction in Scope 1 and 2 emissions, while Scope 3 emissions rose by 16.7%, driven by emissions from product use. Our rainwater harvesting project recovered 155,000 m^3 of water. We also recovered 99% of our waste, supporting circular economy. Work on our solar power plant installation in Malatya continued.

We continued to prioritize employee experience and inclusion, and made tangible progress in increasing female representation across our workforce. Women currently account for 38% of our Board of Directors and 37.5% of our Senior Management, including our subsidiaries. On occupational health and safety, we introduced further improvements in line with our zero-accident goal.

We see Otokar as more than a company that designs and manufactures; we are an organization that advances technology and shapes the future. As part of our social responsibility efforts, we launched "A Stronger Future with Otokar" project to support the professional development and STEM skills of young people. We provided support to 550 vocational school students and continued investing in a skilled future workforce through our Electric Vehicles Workshop.

On the sustainability front, regulations, reporting requirements, and standards introduced across major markets, particularly the European Union, are reshaping business practices. At Otokar, we see this transformation not merely as a compliance process, but as a strategic opportunity.

Looking ahead, we remain committed to advancing our goals, reducing our environmental impact, generating social benefit, and growing as a company that creates value through strong governance. Together with our entire value chain, we will press forward with responsible business models that account for our environmental and social footprint.

Sincerely,

İbrahim Aykut Özüner
General Manager

ABOUT OTOKAR

As Türkiye's leading commercial vehicle and defense industry manufacturer, we offer solutions tailored to customer needs with our own technologies, designs, and applications.

5 continents
Global Operational Footprint

60+ countries
Commercial Vehicle Exports

300+
Sales and After-Sales Network

ABOUT KOÇ HOLDİNG A.Ş.

Koç Holding, founded in 1926 and celebrating its century-long journey in 2026, has differentiated itself from competitors by marking numerous firsts in Türkiye: the first joint stock company in the country, the Republic's first industrial venture and first international partnership, and 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 ranking. Koç Holding holds 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 its 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.

131,000
employees

8%
Revenues / Türkiye's GDP

130+
International Manufacturing Sites and Sales/Marketing Companies

TÜRKİYE'S LEADER, GLOBAL PLAYER

OTOKAR'S MAJORITY SHAREHOLDER

THE ONLY TURKISH COMPANY ON FORTUNE GLOBAL 500 LIST

TÜRKİYE'S LARGEST INDUSTRIAL GROUP

3 GROUP COMPANIES AMONG TÜRKİYE'S 10 LARGEST ENTERPRISES

KOÇ GROUP COMPANIES' INDUSTRIES

- ENERGY
- AUTOMOTIVE
- CONSUMER DURABLES
- FINANCE
- OTHER

OVERVIEW OF OTOKAR

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.

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.

Values

Otokar, empowered by its employees, strives to ensure customer satisfaction and achieve 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.

54%
Capacity Utilization Rate

3,659
employees

552,000 m²
plant site

ANNUAL PRODUCTION CAPACITY

6,000	**Buses/Minibuses**
1,500	**Trucks/Light Trucks**
2,000	**Tactical Vehicles**
950	**Tactical Armored Vehicles**

OTOKAR MANUFACTURES BUSES AND LIGHT TRUCKS AND SELLS PICKUP TRUCKS IN THE COMMERCIAL VEHICLES SEGMENT, WHILE DESIGNING AND PRODUCING A VARIETY OF TACTICAL WHEELED AND TRACKED ARMORED VEHICLES AND TURRET SYSTEMS FOR THE DEFENSE INDUSTRY.

Our journey started in 1963 - at a time when industrialization and modernization initiatives were being launched in Türkiye - to produce the first intercity buses of the country. Continuing our operations with bus and minibus production, we joined the Koç Group in 1976 when we decided to specialize in other business areas in addition to public transportation vehicles.

As the production of buses and minibuses continued, we also began manufacturing vehicles for defense industry in 1987 and produced Türkiye's first tactical wheeled armored vehicle in the 1990s. In the following decades more breakthroughs came with the introduction of Türkiye's first electric bus and the first original tracked armored vehicle to name a few.

Today, as a leading industrial company in Türkiye, we manufacture buses and light trucks and sell pickup trucks in the commercial vehicles segment, while designing and producing a variety of tactical wheeled and tracked armored vehicles and turret systems for the defense industry. As a Koç Group company, we carry out manufacturing operations at our plant in Arifiye, Sakarya, offering solutions tailored to customer needs with our technologies, designs and engineering capabilities and also producing for global brands.

In the commercial vehicles and passenger transportation segment, our lineup includes buses ranging from 6 meters to 21 meters for different customer needs. With this broad offering, we have maintained our title as the bestselling bus brand in Türkiye across all our segments for 17 years.

Through innovative projects, including Türkiye's first hybrid bus and first electric bus, we continue to advancing our work on alternative fuel vehicles. Additionally, we manufacture under license the Otokar Atlas light trucks with payloads from 8.5 tons to 15 tons for the logistics sector.

In 2024, we expanded our commercial vehicle portfolio of buses and light trucks with the pickup truck segment. Building on our successful collaboration with Foton, a leading global manufacturer of commercial vehicles, we launched the Tunland G7 pickup truck onto the domestic market and in 2025, the Tunland V9 as a full size mild hybrid pickup truck with the 4x4 and 4x2 versions.

In 2025, we maintained our position as Türkiye's largest exporter of land vehicles in the defense industry. We come to the forefront with our expertise in the design, development and system integration of all kinds of vehicles and platforms as well as turret systems. We manufacture tactical wheeled and tracked armored vehicles and turret systems with owned intellectual property rights and export defense industry products to nearly 50 countries. World-class knowhow in the defense industry and engineering, R&D and technology transfer capabilities distinguish us among our peers.

Our broad commercial vehicle and defense industry offering is highly demanded by our clients both in Türkiye and more than 80 countries across five continents. With numerous firsts to our name since our inception, we stand as a pioneer in our fields of operation and carry out activities in world standards.

MILESTONES

WITH NUMEROUS FIRSTS TO OUR NAME SINCE OUR INCEPTION, WE STAND AS A PIONEER IN OUR FIELDS OF OPERATION AND CARRY OUT ACTIVITIES IN WORLD STANDARDS.

1960s

Establishment

Production of Türkiye's first intercity bus

1970s

- Production of minibuses for public transportation
- Joined Koç Group

1980s

- Production of 4x4 tactical vehicles under Land Rover license
- First computer-assisted designs in automotive

1990s

- Production of Otokar-designed military armored vehicles
- Exported Türkiye's first tactical armored vehicles
- Plant relocated to Sakarya
- IPO

2000s

- Merger with İstanbul Fruehauf A.Ş.
- Small and medium-sized bus production
- Production of Türkiye's first hybrid bus
- Prime contractor for Altay Main Battle Tank Design, Development and Qualification Project

2010s

- Otokar Europe SAS incorporated in France
- Launch of Türkiye's first electric bus
- Product range expanded with multi-wheeled and tracked armored vehicles
- Production of Atlas light trucks
- Otokar Land Systems Limited incorporated in the UAE
- Otokar Europe Filiala Bucuresti S.R.L. incorporated in Romania
- Production of Türkiye's first electric armored vehicle AKREP IIe
- Otokar Central Asia Limited incorporated in Kazakhstan
- Export deal for 8x8 armored vehicles signed with the UAE

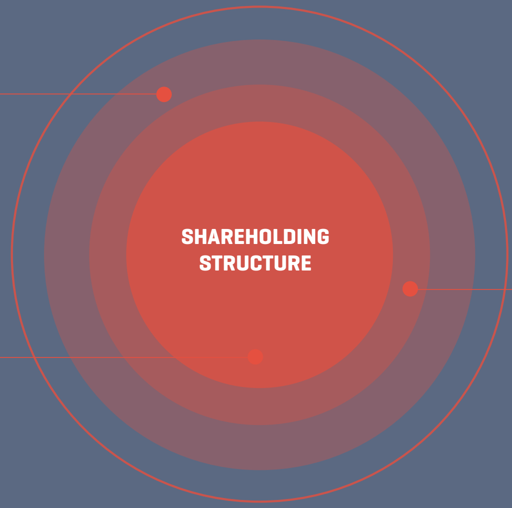
2020s

- Production agreement signed with IVECO BUS
- Electric bus family ranging from 6m to 18m
- Istanbul's tender for 120 metrobuses awarded to Otokar
- Launch of Türkiye's first heavy-class unmanned ground vehicle, autonomous microbus, and hydrogen fuel cell powered bus
- Mauri Bus System S.R.L. acquired and renamed Otokar Italia S.R.L.
- Export deal signed with Romania for 4x4 armored vehicles
- Product range expanded with Foton Tunland pickup trucks
- Agreement signed with Daimler Buses for the production of Mercedes Benz Conecto buses at the Otokar plant

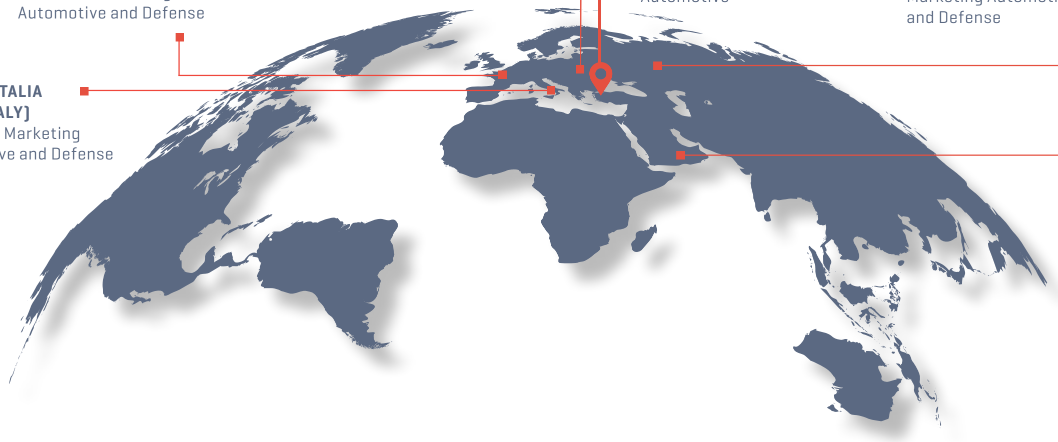
For a deeper look into our history, please visit our website.

CAPITAL AND SHAREHOLDING STRUCTURE

As of December 31, 2025, Otokar's registered capital ceiling is TL 3,000,000,000 and issued capital TL 120,000,000. Our 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.



Subsidiaries and Joint Ventures



*Became a subsidiary as of June 3, 2026.

FIELDS OF OPERATION

COMMERCIAL VEHICLES **PASSENGER TRANSPORTATION**

- We develop and manufacture 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.
- We export buses to more than 60 countries, primarily in the European market, growing our global footprint.
- We offer a range of electric, CNG, hybrid, and hydrogen fuel cell versions. In addition to launching new models, we continue to research and develop alternative fuel vehicles.

Diesel Buses
- Centro
- Sultan/Navigo (Sultan Comfort, Sultan Mega, Sultan LF, Sultan Giga, Navigo C, Navigo U, Navigo T)
- Doruk/Vectio (Doruk LE, Doruk T, Vectio C, Vectio U)
- Ulyso T
- Kent (Kent LF, Kent U, Kent C, Kent Articulated, Kent XL)
- Territo U

Alternative Fuel Buses
- e-Centro
- Kent CNG
- e-Kent
- Kent Hydrogen
- Kent Hybrid
- Kent Articulated CNG
- e-Kent Articulated
- e-Territo

COMMERCIAL VEHICLES **CARGO TRANSPORTATION**

- We manufacture 9-ton to 15-ton Otokar Atlas light trucks under license for the diverse needs of the industry.
- For the pickup truck market, we offer Foton Tunland G7 and Tunland V9 as we continue to expand our product lineup to bring more options to our customers.

Light Trucks
- Otokar Atlas 9
- Otokar Atlas 11
- Otokar Atlas 3D 15
- Otokar Atlas Electric

Pickup Trucks
- Foton Tunland G7
- Foton Tunland V9

DEFENSE INDUSTRY GROUP

- We are positioned as Türkiye's leading defense industry company. Over 33 thousand military vehicles are currently in the inventories of more than 80 clients in nearly 50 countries.
- We manufacture our products to order, depending on the intended purpose, capacity and protection levels. Exports of all defense industry products are subject to the requirements of the respective governments' export license regulations.
- Our work is ongoing to develop local production capabilities in Europe in line with our global expansion aspirations.

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

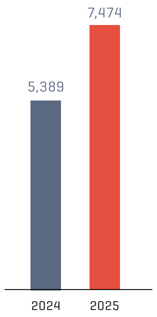
Tracked Armored Vehicles
- Tracked Armored Vehicles (Tulpar, Tulpar S)

Robotic and Unmanned Ground Vehicles
- Alpar

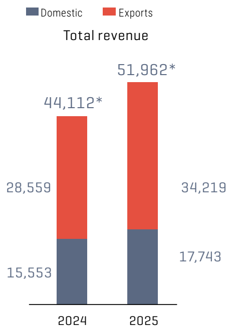
Turret Systems
- Mızrak RCWS,
- Keskin RCWS,
- Open Turrets
- Internal Security Turret
- Üçok
- Başok

FINANCIAL INDICATORS

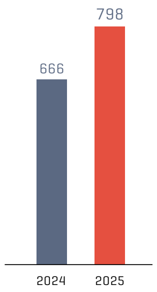
Sales Volume
units



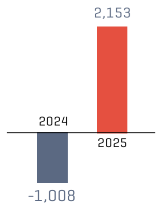
Sales Revenue and Distribution
TL million



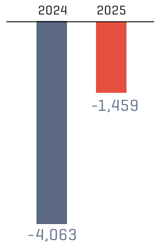
Export Revenues
USD million



EBITDA
TL million



Net Period Profit
TL million



4%
ratio of R&D spending to total revenue

20%
Increase in Exports

18%
Revenue Growth

51,962
million TL
Revenue

1,212
million USD
Revenue

66%
Share of Exports

9.9
billion TL
Gross Profit

4.14%
EBITDA Margin

2.2
billion TL
EBITDA

Main Ratios (%)

	2025	2024
Gross Profit Margin	19.1	15.8
Operating Margin	4.1	-2.1
EBITDA Margin	4.1	-2.3
Pre-Tax Margin	-3.6	-8.9
Net Profit Margin	-2.8	-9.2

Financial Ratios

LIQUIDITY RATIOS	2025	2024
Current Ratio (Current Assets/Short Term Liabilities)	1.04	1.40
Liquidity Ratio (Current Assets-Inventories/Short Term Liabilities)	0.65	0.77
FINANCIAL LEVERAGE RATIOS	**2025**	**2024**
Total Debt to Total Assets Ratio (Short Term Debt + Long Term Debt/Total Assets)	0.87	0.79
Equity/Total Debt Equity (Short Term Debt + Long Term Debt)	0.15	0.26
PROFITABILITY RATIOS	**2025**	**2024**
Sales Profitability Ratio (EBITDA/Net Sales)	0.04	-0.09
Return on Assets (Pre-Tax Profit/Total Assets)	-0.03	-0.07
Return on Equity (Net Profit/Shareholders' Equity)	-0.17	-0.38

SUSTAINABILITY AT OTOKAR

SUSTAINABILITY MILESTONES

Our sustainability strategy is designed 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, achieving operational excellence, and ensuring customer satisfaction form the pillars of this strategy.

1998
- ISO 14001 Environmental Management System Certification

2004
- Employee satisfaction surveys initiated.

2006
- Mustafa V. Koç, on behalf of the Koç Group, signed the UN Global Compact at the United Nations Headquarters.

2007
- Türkiye's first hybrid bus manufactured.

2008
- Donation of 45,000 saplings as part of the 45th-anniversary celebrations

2010
- ISO 27001 Information Security Certification

2012
- Türkiye's first electric bus manufactured.

2013
- First sustainability report published.
- ISO 10002 Customer Satisfaction Management System Certification

2014
- Listed in BIST Sustainability Index.

2015
- Actively supported UN's HeForShe campaign.

2017
- Signed Women's Empowerment Principles (WEPs).
- First carbon footprint calculation (Scope 1 and Scope 2)
- MESS OHS Golden Glove Award

2018
- MESS Golden Suggestion Awards

2019
- Türkiye's first electric armored vehicle, Akrep, introduced

2020
- Zero Waste Certification
- Kincentric Best Employers Award

2021
- Scope 3 carbon footprint calculation
- ISO 50001 Energy Management System established
- Joined Koç Holding's Carbon Transition Program
- Great Place to Work Certification

2022
- Life cycle assessments (LCA) started
- Happy Place to Work Certification
- Transition to renewable energy use (first SPP/WPP investment)
- Territo bus won the Design Excellence title at the 2023 German Design Awards

2023
- Hydrogen fuel cell powered public transportation bus introduced

2024
- A Stronger Future with Otokar Project launched
- Hosted "Beyond the Borders Ideathon" to encourage reverse brain drain
- TİSK OHS Special Award
- Türkiye's first electric light truck sales and exports
- Great Place to Work Certification

2025
- e-Territo won the Ecology Award at Busworld 2025
- First employees hired as part of the project launched to encourage reverse brain drain
- SMETA audit
- Orientation trainings enriched with sign language
- Joined Koç University's Climate Tech Acceleration Program

GLOBAL OUTLOOK

AT OTOKAR, WE SHAPE OUR BUSINESS STRATEGIES AROUND THE VISION OF LONG-TERM VALUE CREATION, TAKING INTO CONSIDERATION ONGOING GLOBAL GEOPOLITICAL UNCERTAINTIES, CLIMATE CHANGE, RAPID REGULATORY CHANGES, AND THE GROWING SUSTAINABILITY AGENDA IN TÜRKİYE.

VALUE AREA	RELATED MATERIAL TOPIC	GLOBAL TRENDS
FOR BUSINESS	· Sustainable Growth · Contribution to Local Economy · Supply Chain Management · Product and Service Responsibility · R&D and Innovation	Sustainable growth is measured not only by financial performance but also by economic, environmental, and social impact across the entire value chain. Over 450 million people work in global supply chains, and these are essential to trade and job creation [1]. Therefore, we must ensure that they are also fair and sustainable. Building resilient and adaptable supply chains is equally critical to supporting sustainable economic growth. Under pressure from regulators and investors, monitoring and auditing supply chains to identify environmental, social, and governance (ESG) risks that could negatively affect operations and reputation is becoming a business necessity [2]. In short, sustainability is increasingly taking center stage in supply chain strategy, alongside traditional priorities such as cost effectiveness and price competitiveness. At the same time, investments in R&D and innovation to develop more sustainable products and services are gaining momentum, supporting the adoption of business models that consume fewer resources while delivering greater value and becoming a determinant of sustainable growth. 84% of institutional investors in the global survey expect the proportion of sustainable assets under management in their portfolios to rise in the next two years [3].
FOR PEOPLE	·Employee Experience ·Potential Employee Management ·Human Rights and Fair Work	Globally, organizations are increasingly building the foundation of sustainable growth on respect for human rights and fair labor principles. Recent data points to meaningful progress: a 78% increase in global labor productivity per worker and a 40% reduction in productivity inequality between countries reflect advances in this area. However, significant structural challenges remain. Approximately 800 million people worldwide live on less than USD 3 a day, and the wealthiest 1% of the global population holds 20% of total income. In the labor market, gender inequality and informal employment remain fundamental concerns. The gender labor force participation gap has narrowed by only three percentage points since 1995, and approximately 58% of workers worldwide are still informally employed [4]. These realities underscore the growing importance of companies adopting human rights-centered labor policies and investing in talent development through employee experience and potential management practices. Demographic shifts further reinforce this need: in high-income economies, an aging workforce and in low-income economies, a growing working-age population are driving demand for skills such as talent management, mentoring, a culture of continuous learning, and employee motivation. These changes are pushing organizations to enhance the employee experience and take a more strategic approach to talent management [5].
FOR THE PLANET	· Low-Carbon Economy ·Circular Economy · Waste Management · Water Stewardship	The past three years - 2023, 2024, and 2025 - have been the three warmest on record, with 2024 ranking as the hottest year ever documented and 2025 following closely behind as the third warmest [6]. The upward trend of global greenhouse gas emissions, which drive climate change, continued in 2025. Fossil fuel CO_2 emissions are projected to reach a record with a 1.1% increase over the previous year [7]. The global economy currently consumes approximately 100 billion metric tons of resources annually, around 75% of which are non-renewable. Driven by relentless mining, agricultural expansion, and waste disposal, pressure on global resource availability continues to mount — and is projected to intensify dramatically, with global resource extraction expected to surge by 150% by 2060 [8]. The World Bank's inaugural Global Water Monitoring Report finds that global freshwater reserves have been declining at a rate of 324 billion cubic meters per year — equivalent to the annual water needs of 280 million people [9].
FOR COMMUNITY	· Community Engagement	Across the global sustainability landscape, creating shared social value has emerged as a key priority. Leading companies are moving well beyond their traditional economic footprint, developing targeted programs that generate lasting benefits for the communities in which they operate. Through partnerships with local stakeholders, employee volunteer initiatives, strategic social investments, and community-driven programs that address pressing local needs, companies are expanding their positive sphere of influence. This approach deepens the relationship between businesses and their surrounding communities, fostering social well-being, strengthening inclusivity, and building trust for long-term, sustainable growth.

(1) unido.org, (2) spglobal.com, (3) morganstanley.com, (4) ilo.org, (5) weforum.org, (6) copernicus.eu, (7) globalcarbonbudget.org, (8) wri.org, (9) worldbank.org

SUSTAINABILITY APPROACH

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, achieving operational excellence, ensuring customer satisfaction, and developing high-tech, value-added products form the pillars of this strategy.

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

As we focus on the material topics shared by 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 prepared in accordance 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 HOLDİNG 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.

OTOKAR 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, achieving operational excellence, ensuring customer satisfaction, and 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 Topics

The materiality assessment we conducted in 2024 is based on the impact of sustainability topics on our business and their materiality levels for our internal stakeholders. The results provide a framework of material topics that is consistent and aligned with our holistic thinking and corporate strategy.

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, Sustainability Accounting Standards Board's (SASB) sector-specific priorities for the automobile and defense Industries, Koç Group's high materiality 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-assisted studies. After interviews with senior executives who know our stakeholders and their expectations closely, the material sustainability topics were finalized. After a review of these topics within the reporting period, we concluded that no revision was needed.

OUR MATERIALITY ASSESSMENT WAS SHAPED AROUND KOÇ GROUP'S 'LEAD. TOGETHER' MANIFESTO AND OUR COMPANY'S VISION, MISSION, AND CORE VALUES.

Step 1 Assessing Global and Industry Dimensions

Step 2 Evaluating Koç Group's and Otokar's Strategic Priorities

Step 3 Stakeholder Analysis

Step 4 Evaluation and Approval

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 COMMUNITY

- COMMUNITY ENGAGEMENT

Sustainability Management

We develop our sustainability strategy from a perspective embedded into our corporate governance structure. The Board of Directors is the highest governing body responsible sustainability-related matters. The Corporate Communications and Sustainability Directorate is tasked with monitoring and reporting on the relevant processes and stakeholder communications. In addition to sustainability governance, processes are also supported by corporate policies and procedures.

Decision-making and approval mechanisms, strategic direction: The Board of Directors sets our company's strategic direction in social, environmental and economic areas, approves our sustainability strategies, and monitors the performance of Senior Management for alignment with these strategies. Our sustainability governance structure covers Otokar and all our subsidiaries.

Otokar Board of Directors

Supporting the Board of Directors' functions, climate and sustainability management: Committee structures and the strategies and objectives decided by the committees are binding on the entire organization. The Corporate Governance Committee reviews the CMB Sustainability Principles Compliance Report and submits it to the Board of Directors for approval before public disclosure. The Board of Directors oversees our risk management activities, led by the General Manager, and relevant responsibilities are shared across all levels of the organization. The Risk Early Detection Committee, which convenes six times a year, monitors and systematically evaluates sustainability- and climate-related risks and opportunities.

General Manager | Audit Committee | Corporate Governance Committee | Early Detection of Risk Committee

Monitoring sustainability and climate strategy and performance, managing current risk inventory, reaching strategic action decisions: The Sustainability Committee, chaired by the General Manager, coordinates the sustainability activities at the executive level. The Committee is responsible for defining, implementing and monitoring sustainability strategies. It also determines material topics, evaluates and approves annual targets, and monitors performance metrics. The Committee plays an active role in matters such as greenhouse gas emission reduction, leveraging opportunities for sustainable finance, and following regulations. The Sustainability Committee convenes at least twice a year or more frequently if needed or if significant developments occur to make the necessary assessments. Meeting agenda topics are shaped according to working groups' analyses, stakeholder feedback, and regulatory developments. Resolutions are passed by majority vote, and expert opinions are sought when needed. Developments and decisions are reported to the Board of Directors through the General Manager.

Sustainability Committee

Sustainability Committee consists of 11 members:

- General Manager (Committee Chair)
- Asst. Gen. Manager - Commercial Vehicles
- Asst. Gen. Manager - Operations
- Asst. Gen. Manager - Military Vehicles
- Asst. Gen. Manager - Finance (CFO)
- Commercial Vehicles Engineering Group Director
- Bus Marketing and Sales Group Director
- People, Culture and Transformation Leader
- Purchasing Director
- System and Production Engineering Director
- Corporate Communications and Sustainability Director

Close monitoring of material topics and sustainability targets: Thematic sustainability working groups, coordinated by the Corporate Communications and Sustainability Directorate, monitor progress toward the sustainability targets and regularly report their activities, evaluations, and analyses to the Sustainability Committee.

Working Groups

ESG coordination, strategy and implementation: The Corporate Communications and Sustainability Directorate coordinates activities related to environmental, social, and governance issues, reaches strategic decisions, and supports the implementation of sustainability targets. The Directorate, which reports to General Manager, is also responsible for coordinating internal communications, embedding the sustainability strategy into all company functions, managing sustainability-focused engagement with external stakeholders, and measuring and reporting sustainability performance.

Corporate Communications and Sustainability Directorate

More information can be accessed under the **Policies** section.

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	COMMUNICATION OBJECTIVES	ENGAGEMENT METHODS	COMMUNICATION FREQUENCY	KEY TOPICS OF STAKEHOLDER ENGAGEMENT	RELEVANT OTOKAR TEAMS
Employees	· Adhering to Otokar's Code of Conduct · Trainings · Employee loyalty and well-being · Occupational Health and Safety (OHS) · Social compliance · Measuring performance · Informative and awareness activities · Employee satisfaction and engagement	· Policies · Trainings · Informative and awareness emailing · Reward and suggestion systems, award ceremonies · One-on-one meetings · Committees · Employee engagement and well-being surveys · Social compliance audits · Events	Weekly and as needed	· Risk management and regulatory compliance · Occupational health and safety · Employee well-being · Attracting, training and retaining talent · Human rights · Diversity, equity and inclusion · Cultural and agile transformation	· People, Culture and Transformation Leadership · Employee Experience · Internal Communications · Total Reward and Performance Management · Compliance, Learning and Development
Suppliers	· Awareness activities · Contributing to governance · Providing information on company strategy · Measuring and rewarding performance	· Annual reports · Policies · Trainings · Supplier summit · One-on-one meetings · Meetings	At least quarterly and when needed	· Responsible supply chain	· Supply Chain Management · Materials · Planning and Logistics · Corporate Communications and Sustainability · Compliance · Engineering and R&D · Supplier Development
Business Partners (Dealers and Aftersales Service Centers)	· Awareness activities · Contributing to governance · Providing information on company strategy · Measuring and rewarding performance	· Meetings with dealers/aftersales service centers · One-on-one meetings · Satisfaction surveys with dealers/ aftersales service centers · Direct messaging (Informative messages) · Dealer trainings · After-sales committee meetings (quarterly)	Weekly and when needed	· Vehicle quality and safety · Customer experience · Meeting the expectations of aftersales service centers	· Sales · Marketing · Aftersales Service Centers in Türkiye and Neighboring Countries · Spare Parts Sales Leadership · Quality First
Customers	· Measuring satisfaction · Measuring customer perception · Product communications · Meeting the requests	· Surveys · Satisfaction surveys · Launch events · Social media · Customer communication channels · Annual reports · Media · Social media · Website · Factory visits	Monthly	· Customer experience · Smart and innovative mobility · Sustainable vehicle quality and safety · Clean technology opportunities and alternative fuels · Data security and cybersecurity	· Marketing · Customer Experience · Aftersales Service Centers in Türkiye and Neighboring Countries · Spare Parts Sales Leadership

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	COMMUNICATION OBJECTIVES	ENGAGEMENT METHODS	COMMUNICATION FREQUENCY	KEY TOPICS OF STAKEHOLDER ENGAGEMENT	RELEVANT OTOKAR TEAMS
Senior Management	Providing information on our financial, operational, and sustainability performance results, receiving opinions, reaching decisions.	· Sustainability Committee · Senior Management Review Meetings	At least quarterly	All material topics of Otokar	· Finance and Risk Management · Investor Relations · Supply Chain Management · Materials · Planning and Logistics · Corporate Communications and Sustainability · Compliance · Engineering and R&D · Supplier Development · People, Culture and Transformation Leadership
Financial Institutions	· Sharing the latest developments about the company's strategic, financial, operational, and sustainability performance · Receiving feedback and questions and sharing them with the Board of Directors and Senior Management · Accessing suitable financing for investments and business continuity · Regulatory compliance	· Annual reports · Sustainability reports · Meetings and interviews · Media · Website · Public Disclosure Platform (KAP) · Earnings releases · Investor/analyst presentations · Conferences · Factory visits	At least quarterly	· Corporate governance · Ethics and transparency · Climate action and resilience · Responsible supply chain · Occupational health and safety · Clean technology opportunities and alternative fuels · Human rights and compliance · Diversity, equity and inclusion	· Investor Relations · Finance and Risk Management · Financial Affairs
Shareholders, Investors and Analysts	· Sharing the latest developments about the company's strategic, financial, operational, and sustainability performance · Receiving feedback and questions and sharing them with the Board of Directors and Senior Management · Accessing suitable financing for investments and business continuity · Preventing potential information asymmetry within the investor community · Achieving fair market value for OTOKAR (OTKAR) shares · Corporate reputation	· Investor meetings · General Assembly meetings · Investor presentations · Analyst meetings · Analyst presentations · Earnings releases · Website · Public Disclosure Platform (KAP) · Conferences and roadshows · Factory visits · Financial statements and notes · Annual reports · Sustainability reports · Media	Continuous	· Corporate governance · Ethics and transparency · Low-carbon products and services · R&D activities · Diversity and inclusion initiatives · Sound supply chain management	· Investor Relations · Corporate Communications and Sustainability
Media	· Announcing developments about the company · Providing accurate information about products and projects · Corporate reputation	· Interviews and talks · Meetings and discussions · Press releases · Material event disclosures · Launch events · Annual reports · Sustainability reports	At least quarterly	· Low-carbon products and services · Responsible supply chain · Smart and innovative mobility · Vehicle quality and safety · R&D activities · Corporate governance · Local development and community investments · ESG initiatives	· Corporate Communications and Sustainability

STAKEHOLDER ENGAGEMENT

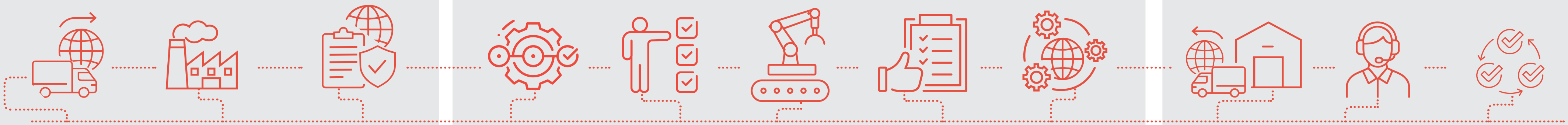
STAKEHOLDER GROUP	COMMUNICATION OBJECTIVES	ENGAGEMENT METHODS	COMMUNICATION FREQUENCY	KEY TOPICS OF STAKEHOLDER ENGAGEMENT	RELEVANT OTOKAR TEAMS
Public Institutions and Local Administrations	· Providing feedback on draft legislation · Establishing cooperations	· Audits · Meetings and Discussions · Activity Report	Periodic	· Environmental, climate and sustainability regulations concerning the automotive industry	· Corporate Communications and Sustainability · Corporate Affairs · Product Assurance · R&D · Sales and Marketing
International Organizations and Initiatives	· Establishing cooperations · Enhancing internal know-how and expertise · Developing engineering projects based on R&D culture and approach · Sharing know-how and experience at events and conferences · Corporate reputation	· Annual reports · Sustainability reports · Joint projects · Regular reporting · Social media · Various events such as conferences, webinars, workshops, and exhibitions	Periodic	· Climate action and resilience · Low-carbon products and services · Responsible supply chain · Human rights · Diversity, equity and inclusion · Circular economy · R&D capacity · Smart and innovative mobility · Vehicle quality and safety	· Corporate Communications and Sustainability · Diversity, Equity and Inclusion Working Group · Product Assurance and R&D · Intellectual Property Leadership
Academia, Vocational Schools, Institutes and Research Centers	· Establishing cooperations · Recruiting young talent · Organizing internal trainings · Developing joint projects with universities and contributing to the commercialization of scientific activities · Engaging with postgraduate researchers at universities · Establishing long-term research centers by forming strategic partnerships with universities · Conducting studies on thematic R&D topics · Corporate reputation	· Annual reports · Sustainability reports · Academic conferences and seminars · Scientific papers and publications, academic research · Joint projects · University-industry collaboration projects · Training and technical support · Sponsorships · Meetings and discussions · Scholarships	Periodic	· Climate action and resilience · Low-carbon products and services · Responsible supply chain · Attracting, training and retaining talent · Clean technology opportunities and alternative fuels · Circular economy · R&D capacity · Smart and innovative mobility · Vehicle quality and safety	· People, Culture and Transformation Leadership · Engineering and Technology Development · Professional Development · Diversity, Equity and Inclusion · Supply Management · Environmental Leadership · Corporate Communications and Sustainability
NGOs and Trade Associations	· Community support projects · Feedback on draft regulations · Providing data and information for strategic roadmaps created by public institutions and NGOs · Sharing experiences · Leading the ecosystem transformation · Corporate reputation	· Memberships in working groups, committees and boards · Memberships in associations · Joint projects and initiatives · Meetings and discussions · Annual reports · Sustainability reports	Monthly	· Local development and community investments · Carbon emissions · Information security · Circular economy · R&D capacity · Smart and innovative mobility · Diversity, equity and inclusion	· Corporate Communications and Sustainability · Diversity, Equity and Inclusion · Corporate Relations · Product Management and R&D · Intellectual Property · Marketing
Labor Unions	· Managing requests · Navigating the collective bargaining process · Preventing and resolving disputes · Cooperating for disciplinary actions and workplace practices · Evaluating labor conditions · Employee engagement and well-being	· Meetings · Collective bargaining negotiations · Workplace union representatives · Union board meetings · Official correspondence · Employee engagement and well-being surveys · Social compliance audits	Monthly and when needed	· Occupational health and safety, employee well-being · Human rights · Guaranteeing the workers' freedom of association rights · Engaging in social dialogue on work	· Industrial Relations

OTOKAR'S VALUE CHAIN

Upstream

Own Operations

Downstream



Upstream

Supply Chain Management: Sourcing of raw materials, components, and systems used in production from local and global suppliers. Quality, environmental, and sustainability criteria are considered in sourcing. Purchasing, evaluation, inspection processes and cooperation with direct and indirect suppliers are part of supply chain management. Quality, environmental, occupational health and safety, code of ethics, and sustainability criteria are taken into account in supplier selection.

Türkiye

Logistics and Storage: Transportation of raw materials and components to production facilities, related storage, and logistics operations. Activities are carried out to optimize costs, ensure delivery continuity, and reduce environmental impact from transportation.

Türkiye, France, Italy, Romania, United Arab Emirates

Production Planning: Effective, efficient, and continuous execution of production activities in line with customer demand, capacity management, resource optimization, and sourcing processes. The goals of these processes include achieving operational continuity, maintaining quality targets, improving cost effectiveness, and creating and managing production plans while complying with legal and operational requirements.

Türkiye

Own Operations

Research and Development: Designing and developing products in alignment with sustainability requirements, customer expectations, and applicable regulations.

Türkiye

Support Activities and Auxiliary Functions: Processes such as purchasing, spare parts, and occupational health and safety.

Türkiye

Production: Manufacturing products and related systems. The process also involves energy and natural resource efficiency, emission and waste management, quality control, and occupational health and safety practices.

Türkiye

Quality and Testing Processes: Testing, control, and verification processes to ensure products meet quality standards, technical requirements, and customer expectations.

Türkiye, France, Romania, Italy, United Arab Emirates, Germany, Kazakhstan

Sales and After-sales Services: Sales of products to customers in domestic and international markets, after-sales, maintenance and repair services, and spare parts management. These processes involve operational efficiency, cost management, competition in global markets, product availability, and after-sales network's effectiveness. Activities are also carried out to ensure continuous technical support and service throughout a product's lifecycle.

*Türkiye, Romania, France, Italy, United Arab Emirates, Germany, Kazakhstan, Others**

Downstream

Logistics: Transportation, distribution, and delivery of manufactured products and systems to dealers and customers.

Türkiye

Customer Relations Management: Receiving, evaluating, and incorporating customer feedback into relevant processes. Customer satisfaction, service continuity, and operational efficiency are systematically monitored and the feedback obtained is used in improving products and services.

Türkiye

Lifecycle Support Services: After-sales services provided throughout product lifecycle, including modernization, maintenance, servicing, spare parts, technical support, training, recycling, and other support activities.

Türkiye

R&D and Innovation

R&D activities involving the development of new products and technologies to meet customer needs and expectations, market requirements, and applicable regulations. Research and development is primarily focused on alternative fuel and electric vehicle technologies, reducing environmental impact, improving energy efficiency and safety, designing sustainable products, and creating innovative solutions. This process applies to operations in Türkiye.

*Countries other than those where subsidiaries and JVs are based.

INTEGRATED VALUE CREATION MODEL

TYPES OF CAPITAL	MATERIAL TOPICS	INPUTS	OUTPUT	VALUE CREATED	BENEFITING STAKEHOLDERS
Financial Capital	· Sustainable Growth · Contribution to Local Economy · Business Ethics	- Effective financial management - TL 8,548,807 shareholders' equity - TL 65,584,740 total assets - USD 77 million investment spending - 100% domestic capital	- 19% gross profit margin - TL 51.9 revenue - TL 2.2 EBITDA - 20% increase in exports - 9.69 /10.00 corporate governance rating	- TL 53,042,727 economic value created - TL 34,219,343.8 export revenues - Included in the BIST Sustainability Index since 2014 - Included in the BIST Corporate Governance Index since 2014	- Employees - Business Partners (Dealers and Service Centers) - Customers - Academia, Vocational Schools, Institutes and Research Centers
Intellectual Capital	· R&D and Innovation	- 60+ years of industry experience - R&D Center among the world's leading facilities in the automotive industry - 620 R&D employees - R&D spending corresponding to 4% of total revenue - Euro 2.18 million sustainability-focused R&D budget - 10 patent applications	- Contributing to the R&D, innovation and digitalization ecosystem - 5 environment-focused R&D projects - 5 digitalization-focused projects under the EU Horizon Europe Program - Studies on electrification, battery technologies and material use for lightweighting in alternative fuel vehicles - 2 registered patents	- Developing zero-emission alternatives of all vehicle models by 2028 through R&D and innovation investments - Otokar vehicles with owned intellectual property rights, serving in 75+ countries on 5 continents	- Employees - Business Partners (Dealers and Service Centers) - Customers - Academia, Vocational Schools, Institutes and Research Centers
Manufactured Capital	· Product and Service Responsibility	- 6 subsidiaries, 2 joint ventures - 2 offices in Türkiye, 9 international offices - Internationally recognized product and management standards - 552,000 m² factory area - 5,560 units production volume - 22 independent external distributors/ dealers - 55 authorized after-sales services with TS 12047 certification	- Military vehicles exported to 45+ countries, commercial vehicles exported to 60+ countries - 5% increase in production volume - Broad product range from 6m to 21m in the passenger transportation segment of commercial vehicles - 94% dealer satisfaction rate - 69% call center resolution satisfaction rate - 54% capacity utilization rate	- Representing our country globally through strong business partnerships - High value-added deliveries - 100% domestic capital - Leading land vehicle supplier of the Turkish Armed Forces - Türkiye's most preferred bus brand	- Employees - Business Partners (Dealers and Service Centers) - Investors - Suppliers - Customers
Social and Relationship Capital	· Community Engagement · Corporate Reputation	- 1,508 suppliers - 1,253 local suppliers - 7,610 clients - 52 Young Talent Program participants	- ESG assessment with 40 critical and carbon-intensive suppliers - 88% call center customer satisfaction rate - Social responsibility and community investment projects, 45 employees actively participating in Koç Volunteers initiatives	- Community investments - Developing and spreading sustainability practices across the value chain - 300+ sales and after-sales service network	- Suppliers - Customers - Media - International Organizations and Initiatives - Academia, Vocational Schools, Institutes and Research Centers - NGOs and Trade Associations - Labor Unions
Human Capital	· Employee Experience · Potential Talent Management · Human Rights and Fair Work	- 3,659 employees – total workforce - Equal pay for equal work approach - Counseling and dietitian services for employees - TL 28.8 million allocated for trainings - 3,393 employees responding to the Employee Engagement Survey - Regular well-being activities - 290 group trainings under 120 topics - 55 group trainings by 32 internal trainers - 32,000+ hours of OHS training - 17,000+ hours of OHS training provided to employees of contractors and subcontractors - 1,041 field audits - 843 corrective actions	- 1,170 hours of dietitian service for 409 employees - 688 hours of counseling services for 115 employees - 90% success rate of internal trainings - 95% training participation rate - 72% completion rate of Code of Ethics Training, including ""Respect for Human Rights"" - 88.7% Employee Engagement Survey Score - 23 well-being activities - 38% female membership rate in the Board of Directors (including subsidiaries) - 12% female employment rate among new employees - 2.5% female employment rate among field workers	- Contributing to employment in Türkiye and worldwide - Safe, accessible and highly engaging work environment - Developing employees' competencies, skills and careers	- Employees - Business Partners (Dealers and Service Centers) - Investors - Suppliers - Labor Unions
Natural Capital	· Low-Carbon Economy · Circular Economy · Waste Management · Water Stewardship	- Responsible resource utilization - Zero waste approach - 310,530 Gj total energy consumption - 800 kWe installed renewable energy capacity - 243,572 m³ total water withdrawal	- 725.74 tons total hazardous waste - 7,790.88 tons total non-hazardous waste - 2 LCA studies on vehicle batteries - 13,897 tons CO$_2$e Scope 1 emissions - 11,305 tons CO$_2$e Scope 2 emissions - 5,756,738 tons CO$_2$e Scope 3 emissions - 157,120 m³ of water recovered through recycling and treatment	- Contributing to Türkiye's 2053 net-zero emissions target - 99% waste recovery rate - Scenarios studied as part of Otokar Carbon Transition Program - 35 projects delivered savings of 3,032,02 kWh of electricity and 60,148 sm³ of natural gas - 1,300 tons of CO$_2$ emissions prevented - 3,696,224 kWh total energy savings	- Employees - Suppliers - Business Partners (Dealers and Service Centers) - Investors - Customers - Financial Institutions - Public Institutions and Local Administrations - International Organizations and Initiatives - Academia, Vocational Schools, Institutes and Research Centers - NGOs and Trade Associations

OPERATION

Strategic Priorities | Global Trends | Economic and Industry Developments | Risks and Opportunities

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.

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.

Fields of Operation

- Automotive Industry
  - Passenger Transportation
  - Cargo Transportation
- Defense Industry
  - Tactical Wheeled Armored Vehicles
  - Tracked Armored Vehicles
  - Turret Systems

RELATED SDGs

4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

SUSTAINABILITY TARGETS

VALUE AREA	TARGET	TARGET YEAR	TRACKED PERFORMANCE METRIC	2025 PERFORMANCE IN 2025	2025 PROGRESS RATE	PRACTICES, PROJECTS AND ACTIONS IN 2025 TO REACH TARGET
FOR BUSINESS	Including 50% of critical suppliers, which constitute 80% of purchasing budget, in the Supplier Assessment and Development Program	2027	- Rate of critical suppliers performing self-assessments within the scope of the Supplier Assessment and Development Program	50%		- We deployed the necessary digital infrastructure and launched the survey tracking system. - We partnered with the Department of Environmental Engineering at Sakarya University and reached the suppliers.
	Maintaining the Quality Index at 100%	2030	- Error rate per vehicle in body, paint shop, paint finishing and finishing processes - Product audit results	116%		- Diagnos 1-2 were performed for diagnostics. - We held workshops for body and paint shops.
	Allocating 70% of R&D spending for sustainability areas such as alternative fuels, ecofriendly solutions, and safe transportation	2028	- The share of R&D spending allocated for sustainability-focused areas such as alternative fuels, ecofriendly solutions and safe transportation in the total R&D budget	40%		- Enhancements were made in the product range for the European market, particularly focusing on public transportation vehicles, regulatory compliance, and customer expectations.
	Offering at least one alternative fuel version in all passenger transportation vehicle segments	2028	- Number of product segments with alternative fuel versions / Total number of product segments	3/5 Total number of alternative fuel models: 4		- 10,8m eKent, 12m eKent, eCentro, and eTerrito
	Participating in at least two international projects for digital transformation and smart manufacturing technologies every year	2035	- Number of international projects for digital transformation	5 projects		- We applied for one Horizon project and were accepted with the highest score among the applications submitted to the call.
	Providing Code of Ethics Training, including "Respect for Human Rights," for 75% of dealers/service centers	2028	- Completion rate of the Code of Ethics training - dealer and service employees	-		- The Code of Ethics training for our dealers and after-sales service centers has been prepared and will be delivered as part of the 2026 training plan.
	Raising Net Promoter Score (NPS) to 50	2030	- Net Promoter Score (NPS) performance based on the distribution of Detractors, Passives, and Promoters distributions	49		- NPS alarm trend tracking is applied in CRM NPS calculations.

COMPLETED ONGOING

SUSTAINABILITY TARGETS

VALUE AREA	TARGET	TARGET YEAR	TRACKED PERFORMANCE METRIC	2025 PERFORMANCE IN 2025	2025 PROGRESS RATE	PRACTICES, PROJECTS AND ACTIONS IN 2025 TO REACH TARGET
FOR PEOPLE	Providing Code of Ethics Training, including "Respect for Human Rights," for 80% of Otokar employees	2028	- Completion rate of the Code of Ethics training - employees	72%	Ongoing	- We carried out communication activities to raise awareness and provide information.
FOR PEOPLE	Raising female representation on the Otokar Board of Directors to 25%	2026	- Female representation rate on the Otokar Board of Directors (excluding subsidiaries)	22%	Ongoing	- According to Otokar Board of Directors Diversity Policy, we set a target to raise female membership rate in the Board of Directors to 25% in five years.
FOR PEOPLE	Ensuring that 50% of new employees each year are women to support female employment	2030	-Ratio of new female employees	45%	Ongoing	- We participated in the Youthall Inspiring Women Career Event, Koç University Women Engineers Day, and Kocaeli University Women in Engineering Days to promote women's employment in talent acquisition.
FOR PEOPLE	Increasing female employment rate to 2% among field workers	2030	- Female employment rate - field workers	2%	Ongoing	- We organized five interview events and invited female candidates.
FOR THE PLANET	Performing LCAs and creating Recycling Reports for the entire alternative fuel commercial vehicle family	2030	- Number of LCAs completed	5 LCAs (eCentro - eTerrito - eKent 12m and 18m - eKent LE)	Completed	- LCA and EPD work initiated for the new 18m eKent Articulated Bus and the eKent LE Bus, currently under development.
FOR THE PLANET	Maintaining a continuous waste recovery rate of 99% in production activities	2030	- Production-related waste recovery rate	99%	Completed	- A system was developed for sorting waste at the source, based on the zero-waste principle. - More time was allocated for the topic of sorting waste within training content. - One-stop trainings on this topic were held in the field.
FOR COMMUNITIES	Increasing the number of students interning at the Otokar plant – as part of "A Stronger Future with Otokar" Project - to 100.	2030	- Total number of interns	45 interns	Ongoing	- Installation of the Electric Vehicles Workshop was completed. - Successful students and female students were granted special scholarships. - Technical trainings, technical trips, and career days were held.

COMPLETED ONGOING

MEMBERSHIPS AND ASSOCIATIONS

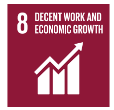
We view innovation as an integral part of our ecosystem and participate in national and international decision-making platforms as an active stakeholder to closely monitor technological transformation and contribute to shaping industry standards.

- 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 (DEIK)
- Heavy Commercial Vehicle Importers Association
- Istanbul Chamber of Commerce
- Istanbul Chamber of Industry
- Istanbul Mineral and Metal Exporters' Association
- 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)
- TÜYİD Turkish Investor Relations Society
- Uludağ Exporters' Association
- Union of Chambers and Commodity Exchanges of Türkiye

CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS

VALUE AREA	RELATED MATERIAL TOPIC	GOAL DESCRIPTIONS	CONTRIBUTION TO SDGs
FOR BUSINESS	Sustainable Growth	**8.2.** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors **17.17.** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	8 DECENT WORK AND ECONOMIC GROWTH 17 PARTNERSHIPS FOR THE GOALS
	Contribution to Local Economy	**11.a.** Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning **12.2.** By 2030, achieve the sustainable management and efficient use of natural resources	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Corporate Reputation	**12.6.** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle **16.6.** Develop effective, accountable and transparent institutions at all levels **16.7.** Ensure responsive, inclusive, participatory and representative decision-making at all levels	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Product and Service Responsibility	**12.a.** Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production **12.2.** By 2030, achieve the sustainable management and efficient use of natural resources	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	R&D and Innovation	**8.2.** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors **9.4.** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities **9.b.** Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Business Ethics	**16.5.** Substantially reduce corruption and bribery in all their forms	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS

VALUE AREA	RELATED MATERIAL TOPIC	GOAL DESCRIPTIONS	CONTRIBUTION TO SDGs
FOR PEOPLE	Employee Experience	**5.1.** End all forms of discrimination against all women and girls everywhere **5.5.** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. **8.5.** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value **10.2.** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status **10.3.** Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard **16.7.** Ensure responsive, inclusive, participatory and representative decision-making at all levels	
	Potential Employee Management	**4.4.** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship **8.5.** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	
	Human Rights and Fair Work	**8.8.** Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	

CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS

VALUE AREA	RELATED MATERIAL TOPIC	GOAL DESCRIPTIONS	CONTRIBUTION TO SDGs
FOR THE PLANET	**Low-Carbon Economy**	**7.1.** By 2030, ensure universal access to affordable, reliable and modern energy services **7.3.** By 2030, double the global rate of improvement in energy efficiency **7.a.** By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology **13.2.** Integrate climate change measures into national policies, strategies and planning **13.3.** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
	Circular Economy	**12.2.** By 2030, achieve the sustainable management and efficient use of natural resources	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Waste Management	**12.5.** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse **13.3.** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	Water Stewardship	**6.3.** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. **14.1.** By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	6 CLEAN WATER AND SANITATION 14 LIFE BELOW WATER
FOR COMMUNITIES	**Community Engagement**	**10.2.** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status **17.16.** Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS

CORPORATE GOVERNANCE

Through our corporate governance practices, we aim to build a reliable and accountable system for our investors, employees, customers, suppliers, and all stakeholders. Preventing conflicts of interest and maintaining the trust we have earned are also among our key priorities.

96.93
Corporate Governance Rating

274.5
Ethics Training Hours

100%
Ethics Line Resolution Rate

17
Türkiye’s leader for 17 consecutive years

1.
Türkiye's leading exporter of land vehicles

CORPORATE GOVERNANCE APPROACH

We build our corporate governance approach on the principles of transparency, accountability and integrity in line with our long-term value creation goal. A strong governance structure, risk management, and legal compliance form the cornerstones of our sustainable growth. We take utmost care to comply with the Capital Markets Board's (CMB) Corporate Governance Principles. We convened our Ordinary General Assembly in 2025 in accordance with the provisions of the Communiqué on the Board of Directors and Board of Directors Committees. The Independent Members of the Board of Directors were nominated and publicly disclosed prior to the General Assembly Meeting per regulations. The Board of Directors Committees carry out their activities within the scope of their duties and responsibilities.

Yıldırım Ali Koç
Chairman

Selin Ayla Ünver
Vice Chair

Levent Çakıroğlu
Board Member

Haydar Yenigün
Board Member

İbrahim Aykut Özüner
Board Member - General Manager

Ahmet Serdar Görgüç
Board Member

Ali İhsan İlkbahar*
Independent Board Member

Fatma Füsun Akkal Bozok
Independent Board Member

Kamil Ömer Bozer
Independent Board Member

Ahmet Turul**
Independent Board Member

*Ali İhsan İlkbahar's appointment as an Independent Member on the Otokar Board of Directors ended on March 10, 2026.
**Ahmet Turul was elected to the Otokar Board of Directors as an Independent Member on March 10, 2026.

BOARD MEMBERS

Yıldırım Ali Koç
Chairman
Y. Ali Koç (born 1967, Istanbul) holds a bachelor's degree in management from Rice University (USA) and an MBA from Harvard Business School. Ali Koç started his career in 1990 at American Express Bank as a Management Trainee and continued as an Investment Analyst at Morgan Stanley Investment Bank from 1992 to 1994. Mr. Koç joined Koç Holding in 1997 as New Business Development Coordinator in the Strategic Planning Group and held senior level positions, including the President of Corporate Communications and IT Group from 2006 to 2010. He has served as a Board Member at Koç Holding since January 2008 and as Vice Chairman since February 2016. According to the CMB's Corporate Governance Principles, Mr. Koç does not hold executive duties and is not an independent director. Mr. Koç, whose roles over the past ten tears are summarized herein, currently serves on the boards of several Koç Group companies.

Selin Ayla Ünver
Vice Chair
Selin Ünver (born 1983, Geneva) completed her education in Switzerland and gained experience in finance and accounting. Ms. Ünver is currently the Chair of Ünver Holding A.Ş. and the Vice Chair of Otokar. According to the CMB's Corporate Governance Principles, she does not hold executive duties and is not an independent director. Ms. Ünver currently serves on the Board of Directors at Otokar.

Levent Çakıroğlu
Board Member
Levent Çakıroğlu (born 1967, Ankara) received his bachelor's degree in Business Administration from Ankara University's School of Political Sciences and his master's degree from Illinois University (USA). Mr. Çakıroğlu began his career in 1988 as a Junior Analyst at the Ministry of Finance and went on to serve as a Financial Analyst (1991-1997). He was appointed Vice President of the Financial Crimes Investigation Board at the Ministry of Finance (1997-1998), while he also taught at Bilkent University as a part-time lecturer. Joining Koç Holding as Finance Group Coordinator in 1998, he served as the CEOs of Koçtaş (2002-2007), and Migros (2007-2008). He was appointed the CEO of Arçelik in 2008, and also served as the Koç Holding Durable Goods Group President starting from April 2010. He has served as the CEO of Koç Holding A.Ş. since his appointment in April 2015 and also as a Board Member since April 2016. According to the CMB's Corporate Governance Principles, Mr. Çakıroğlu does not hold executive duties and is not an independent director. Mr. Çakıroğlu, whose roles over the past ten tears are summarized herein, currently serves on the boards of several Koç Group companies.

Haydar Yenigün
Board Member
Haydar Yenigün (born 1964, Istanbul) earned his bachelor's degree in mechanical engineering from Yıldız Technical University in 1987. The same year, he started his career as an engineer at the production department of Ford Otosan, working in various roles until 1990. After completing his military service, he returned to the company as a Project Engineer (1992-1997). Following the agreement signed between Ford Motor Company and Otosan A.Ş. for the equal partnership, he assumed various responsibilities during the establishment of the Kocaeli Plant, where he was appointed as the Project Leader in 1998, serving until 2007. From 2007 to 2012, he worked as Kocaeli Plant Manager and Assistant General Manager at Ford Otosan. After serving as the General Manager and Board Member at Ford Otomotiv Sanayi A.Ş. (from 2012), he was appointed as President, Automotive Group at Koç Holding A.Ş. on April 1, 2022. Previously, Haydar Yenigün served as the Chairman of Automotive Manufacturers Association (OSD) (2018-2022) and a Board Member in the European Automobile Manufacturers Association (ACEA) (2020-2022). Mr. Yenigün's various external assignments include: Board Member at Kocaeli Chamber of Industry, member of Turkish Industry and Business Association (TUSIAD), and Vice Chairman of the Executive Committee of Türkiye-U.S. Business Council (TAİK). According to the CMB's Corporate Governance Principles, Mr. Yenigün does not hold executive duties and is not an independent director. Mr. Yenigün, whose roles over the past ten tears are summarized herein, currently serves on the boards of several Koç Group companies.

İbrahim Aykut Özüner
Board Member – General Manager
Aykut Özüner holds a mechanical engineering degree (1991) and an MBA (1995) from Boğaziçi University. Starting his professional career in 1992 at Koç Holding's Supply Coordination Group, Özüner joined Ford Otomotiv A.Ş. in 1993, going on to hold various leadership positions, including Assistant General Manager - Marketing & Sales (2004-2010) and Assistant General Manager - Marketing, Sales & After Sales (2010-2014). In 2014, Aykut Özüner was appointed General Manager of the sourcing company, Zer Merkezi Hizmetler ve Ticaret A.Ş., where he served until the end of 2018. After his role as General Manager of TürkTraktör and Ziraat Makineleri A.Ş., (January 2019 - March 2024), he was appointed the General Manager of Otokar Otomotiv ve Savunma Sanayi A.Ş. effective April 1, 2024. Aykut Özüner's external duties include Board memberships in TürkTraktör, Ankara Chamber of Industry, Automotive Manufacturers Association, and Turkish Employers' Association of Metal Industries, and membership in the Turkish Industry and Business Association.

Ahmet Serdar Görgüç
Board Member
Ahmet Serdar Görgüç (born 1959, İzmir) graduated from the Department of Mechanical Engineering at Boğaziçi University and later earned a master's degree in Business Administration from Istanbul University. Mr. Görgüç joined Koç Group in 1982, working at the Group's R&D Center. He served as the Automotive Unit Manager at the R&D Center until 1985 and was appointed Advanced Projects Design Manager at Otokar the same year. Mr. Görgüç served as Product Engineering Manager (1989-1995), and as Assistant General Manager - Engineering (1995-2005). After serving as the General Manager of Otokar since 2006, Ahmet Serdar Görgüç retired on April 1, 2024. According to the CMB's Corporate Governance Principles, Mr. Görgüç does not hold executive duties and is not an independent director. Mr. Görgüç currently serves on the Board of Directors at Otokar Otomotiv ve Savunma Sanayi A.Ş.

Ali İhsan İlkbahar*
Independent Director
Ali İhsan İlkbahar graduated from Istanbul Technical University with an M.Sc. in Mechanical Engineering in 1962 and following a two-year military service, started working as a Manufacturing Engineer at Otosan in 1964. He spent his entire professional life at Ford Otosan where he served as the General Manager during the last 14 years of his career, when he was also the Koç Holding Ford Group head and retired at the beginning of 2000. He was involved in the construction project of the Otosan Engine Plant in İnönü, Eskişehir (1977-1980) and led the Kocaeli Plant project and Connect Vehicle project (1997-2000). He was the President of the Automotive Manufacturers Association from 1989 through February 2004. He served on the Board of Ford Otosan from 1991 to 2012 and was reelected as a member on March 25, 2014. Mr. İlkbahar also served on the Corporate Governance Committee at Ford Otosan from April 2014 to March 2022. According to the CMB's Corporate Governance Principles, Mr. İlkbahar does not hold executive duties and is an independent director. Mr. İlkbahar's roles over the past ten tears are summarized herein.

Fatma Füsun Akkal Bozok
Independent Director
Fatma Füsun Akkal Bozok earned a bachelor's degree in Business Administration from Istanbul University. She also holds an MBA from Boğaziçi University and a Ph.D. in Business Administration from İstanbul University. She started her career as an Auditor at Arthur Andersen in 1980. Joining Koç Holding in 1983 as an auditor at the Internal Audit Department, she went on to serve as an Audit Coordinator (1992-2003), and was later appointed Finance Director (2003). During her tenure as Audit Coordinator, Bozok also worked as a Project Manager (1995-1996) for Koç Group's MIS Project. Bozok later pursued an academic career, teaching Computer Systems Oversight and International Finance at Koç University (2006- 2008), and International Finance and Auditing at Sabancı University, Sabancı Business School (2008-2020). Previously, Füsun Bozok was an independent Board Member at Yapı Kredi Bank (2004-2018), Akiş GYO (2017-2021), İzocam (2018-2021), and Bizim Toptan (2017-2023). She was appointed as an Independent Member to the Boards of Tat Gıda Sanayi, and Ford Otosan in 2018, and Gözde Girişim Sermayesi in 2020. Ms. Bozok holds CMB Credit Rating, Corporate Governance, Advanced Level, and Derivatives Licenses.

Kamil Ömer Bozer
Independent Director
Kamil Ömer Bozer earned his bachelor's degree in Business Administration from the Middle East Technical University, followed by an MBA from Georgia State University (USA). He started his professional career as a management trainee at Koç Holding A.Ş. in 1983. He went on to serve as Deputy General Manager at Maret A.Ş. (1990), General Manager at Düzey A.Ş. (1995), and General Manager at Migros Türk T.A.Ş. (2002). During his term at Migros Türk T.A.Ş., he also began to serve as the Food, Retail and Tourism Group President at Koç Holding A.Ş. (September 2004), a position he held until April 2011 when he resigned from his executive roles. Since then, Kamil Ömer Bozer has held Independent Board Membership and Board Membership positions at Coca-Cola İçecek, Anadolu Efes, Adel Kalemcilik, Anadolu Isuzu, Anadolu Etap, Kamil Yazıcı Management Consultancy, Carrefoursa, and Dardanel A.Ş. Mr. Bozer is currently a Board Member at Boyner Holding and an Independent Member on the Boards of Tüpraş and Arçelik.

Ahmet Turul**
Independent Director
Ahmet Turul holds a bachelor's degree in Political Science from Ankara University (1980) After his roles as Junior Financial Analyst and Financial Analyst at the Ministry of Finance (1980-1988), he joined Koç Holding A.Ş., working as Assistant Finance Coordinator and later as Finance Coordinator (1988-1999). He was then appointed Assistant General Manager – Finance at Koç Consumer Finance (1999-2002). He continued his career as Assistant General Manager – Finance at both Allianz Sigorta and Allianz Hayat ve Emeklilik. (2002-2010). He later served as a Board member at Allianz Yaşam ve Emeklilik (2013-2021), and Allianz Sigorta and Allianz Hayat ve Emeklilik (2010-2022). During his insurance career, he served for a period as a member of the Non-Life and Life-Private Pension Executive Committees of the Insurance Association of Türkiye (TSB) representing his companies. Following his retirement, he served as an Advisory Board member of the TSB (2022-2023), which he currently represents on the Tax Council. He also served as an Independent Board Member at Tüpraş - Türkiye Petrol Rafinerileri A.Ş. (2014-2019) and at Arçelik A.Ş. (2019-2025). Ahmet Turul has not held any position at Otokar or its subsidiaries in the last five years. He does not have any relationship with Otokar's senior executives. He does not directly or indirectly hold more than 5% of Otokar's capital shares. He is not an employee representative and has no commercial relationship with Otokar.

** Ali İhsan İlkbahar's appointment as an Independent Member on the Otokar Board of Directors ended on March 10, 2026.*
*** Ahmet Turul was elected to the Otokar Board of Directors as an Independent Member on March 10, 2026,*

BOARD OF DIRECTORS' COMPOSITION

At Otokar, the Board of Directors is the highest governing body. Three committees have been established to support the work of the Board of Directors. The primary task of our Board of Directors is to determine the company strategy. The Board also plays an active role in overseeing material sustainability topics and monitoring performance. Our sustainability approach involves addressing risks and opportunities in detail from an environmental, social, and governance perspective, and integrating these into decision-making processes. Within this framework, internal control, risk management, ethical compliance, and stakeholder expectations are regularly evaluated through the relevant committees.

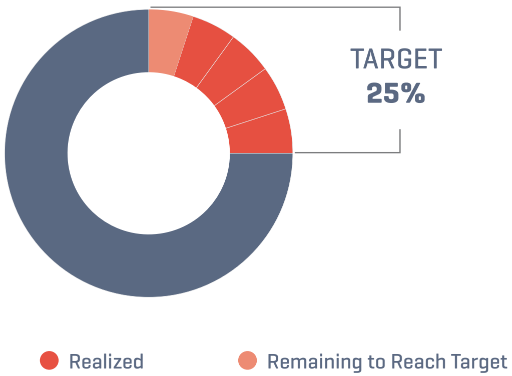
The company is managed by a Board of Directors formed by a minimum of five (5) members, elected by the General Assembly. Without prejudice to the requirements imposed by the Capital Markets Board's Corporate Governance Principles for independent directors, the General Assembly has the right to replace Board members at any time if needed, per Article 364 of the Turkish Commercial Code. The Board members may serve for a maximum of three years. Members whose term has expired may be re-elected.

The duties of the Chairman of the Board and the General Manager are performed by separate individuals. The Chairman of the Board does not hold an executive role. Board members are encouraged to allocate the required time to fulfil their obligations toward the company, while there are no rules restricting them from assuming other duties outside the company. Considering that independent members, 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.

FULL NAME	TITLE	FIRST ELECTION TO THE BOARD OF DIRECTORS*	COMMITTEE ASSIGNMENTS	EXTERNAL ASSIGNMENTS
Yıldırım Ali Koç	Chairman	26.03.2015	-	Vice Chairman - Koç Holding A.Ş.; Board memberships and committee memberships at various Koç Holding companies
Selin Ayla Ünver	Vice Chair	22.10.2018	-	Chairwoman - Ünver Holding A.Ş.
Levent Çakıroğlu	Member	26.03.2015	Member – Corporate Governance Committee	CEO and Board member - Koç Holding A.Ş.; Chairman or member of the Board at Koç Holding companies, committee memberships
Haydar Yenigün	Member	21.03.2022	Member – Risk Management Committee	Board memberships and committee memberships at various Koç Holding companies
İbrahim Aykut Özüner	Member – General Manager	24.03.2025		Board member - TürkTraktör ve Ziraat Makinaları A.Ş.
Ahmet Serdar Görgüç	Member	20.04.2006		
Ali İhsan İlkbahar**	Independent Member	16.03.2020	Chair – Corporate Governance Committee	
Fatma Füsun Akkal Bozok	Independent Member	27.03.2024	Chair – Risk Management Committee, Member – Audit Committee	Board membership at various Koç Group companies and other companies
Kamil Ömer Bozer	Independent Member	27.03.2024	Chair – Audit Committee	Board membership at various Koç Group companies and other companies
Ahmet Turul***	Independent Member	10.03.2026	Chair – Corporate Governance Committee	

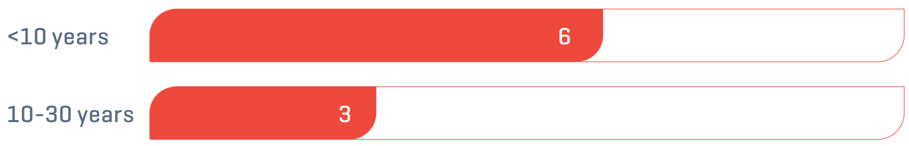
*Members are elected to serve on the Board of Directors for one year.
** Ali İhsan İlkbahar's appointment as an Independent Member on the Otokar Board of Directors ended on March 10, 2026.
*** Ahmet Turul was elected to the Otokar Board of Directors as an Independent Member on March 10, 2026.

According to Otokar's **Board of Directors Diversity Policy,** implemented in 2021, we aim to reach a 25% female membership rate on our Board of Directors within five years. In 2025, this rate was 20%.

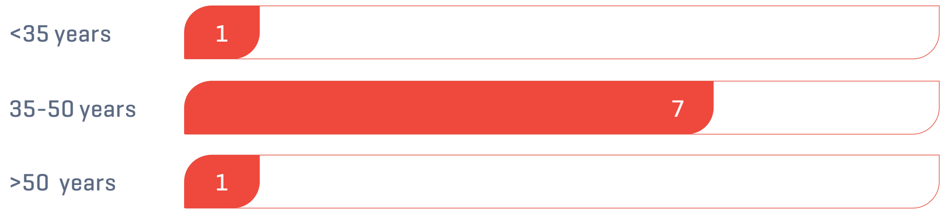


BOARD OF DIRECTORS' COMPOSITION

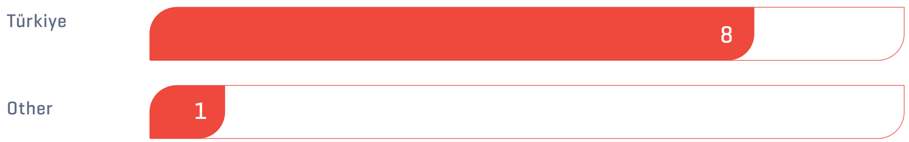
TENURE ON THE COMPANY'S BOARD OF DIRECTORS



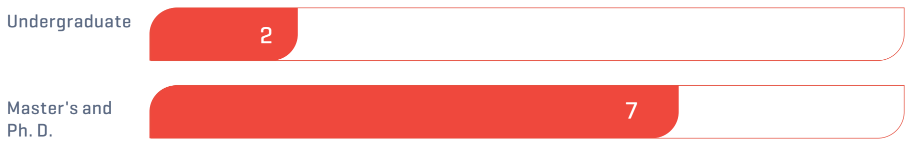
PROFESSIONAL EXPERIENCE



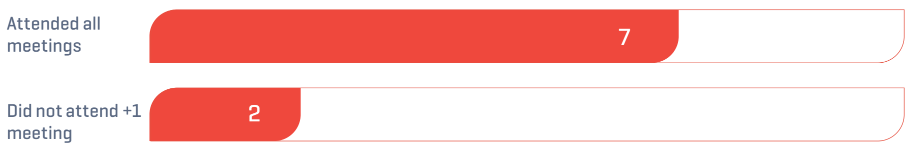
CITIZENSHIP/RESIDENCE



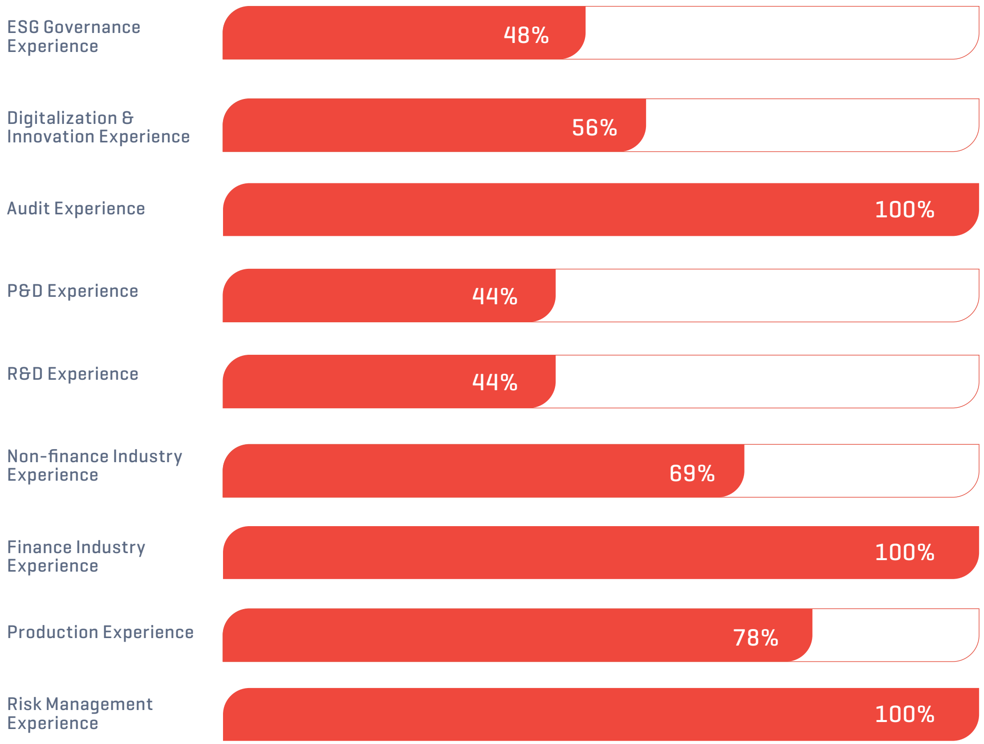
EDUCATION LEVEL



MEETING ATTENDANCE RATE



SKILLS



Operating Principles of the Board of Directors

The powers and responsibilities of 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 the **Otokar 2025 Annual Report.** The subject or agenda of the Board of Directors Resolutions is 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, duly called to attend, convenes for meetings as company business requires to address critical and strategic matters. Pursuant to the Turkish Commercial Code and the relevant provisions of the company's Articles of Association, the Board of Directors convenes in person when the company business calls for it, and when necessary, resolutions can be reached by circulating them per article 390, paragraph 4 of the Turkish Commercial Code. Tasks such as preparing the meeting agenda, keeping the minutes, and following the resolutions through are performed by the relevant officers in coordination with the Assistant General Manager – Finance.

Shareholders, Privileged Shares and Protection of Minority Rights

Otokar's Articles of Association do not contain any privileges regarding the exercise of voting rights. Each share with a nominal value of 1 kuruş has one voting right. We take utmost care to comply with regulations in responding to investor requests. In 2025, no complaints about the company were communicated regarding the exercise of shareholder and no administrative and legal actions were taken against Otokar within the company's knowledge. While the Articles of Association do not grant minority rights to shareholders holding less than one-twentieth of the capital, we follow generally accepted practices for minority rights in accordance with the general provisions of applicable regulations.

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

Pursuant to the Turkish Commercial Code and Article 13 in 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. According to the Remuneration Policy, management of remuneration and benefits should be fair, objective, recognizing high performance, competitive, rewarding, and motivating. Fixed salaries of Senior Executives are determined in line with international standards and legal obligations by taking into account macro-economic data, the 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.

Annual Meetings

In 2025, we held an ordinary General Assembly Meeting, while the Board of Directors convened three times.

General Assembly

1

Board Meetings

3

WE BUILD OUR CORPORATE GOVERNANCE APPROACH ON THE PRINCIPLES OF TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY IN LINE WITH OUR LONG-TERM VALUE CREATION GOAL.

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 environmental, social and governance (ESG) criteria. The General Manager's salary is not dependent on total share value or shareholder profit. Our 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 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 is presented to the shareholders for approval at the General Assembly. Additionally, the shareholders are 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 2025, 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

KEY CRITERIA	
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, the senior management's bonus policies 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 have been attained. The targets for the company are established by considering continued success and improvements compared with the previous years as key principles.
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. All targets, including those related to sustainability, are integrated into the Objectives & Key Results (OKR) system and applied across the organization.

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 to Senior Executives in the year ending on December 31, 2025, amounted to TL 308,786 thousand, including TL 95,596 thousand in severance payments (December 31, 2024: TL 491,948 thousand, including TL 288,713 thousand in severance payments). Senior Executives include Board members, General Manager and Assistant General Managers.

CODE OF ETHICS AND COMPLIANCE POLICIES	
Otokar Code of Ethics	🔴
Compliance Policy	🔴
Human Rights Policy	🔴
Competition Law Compliance Policy	🔴
Personal Data Protection Policy	🔴
Gifts and Entertainment Policy	🔴
Community Investment Policy	🔴
Whistleblowing Policy	🔴
Sanctions and Export Controls Policy	🔴
Supply Chain Compliance Policy	🔴
Anti-Bribery and Corruption Policy	🔴
Donation and Sponsorship Policy	🔴
Policy on Prevention of Laundering the Proceeds of Crime, Financing of Terrorism and Weapons of Mass Destruction	🔴
Non-retaliation Policy	🔴
Corporate Risk Management Policy	🔴 ⚫

SUSTAINABILITY-RELATED POLICIES	
Environmental Policy	⚫
Energy Policy	⚫
Occupational Health and Safety Policy	🔴
Quality Policy	⚫
Information Security Policy	⚫
Customer Satisfaction Policy	⚫
Koç Group Climate Change and Emissions Management	🔴
Diversity, Equity and Inclusion Manifesto	⚫
Corporate Social Responsibility	⚫
Purchasing Policy	🔴
Remuneration Policy for Members of the Board of Directors and Senior Executives	🔴

🔴 Alignment with the respective Koç Group Policy ⚫ Otokar Corporate Policy

Board Committees

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 chairs of the committees are appointed from among the Independent Directors, who also make up all members of the Audit Committee.

AUDIT COMMITTEE

Committee's Establishment	2003
Committee Chair	Kamil Ömer Bozer
Committee Member	Fatma Füsun Akkal Bozok
No. of Meetings in 2025	8

The Audit Committee, established in 2003 pursuant to a Board of Directors' resolution, 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 Füsun Akkal Bozok as member. In 2025, 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, its opinion on the TSRS-Compliant Sustainability Report as well as the decisions made during committee meetings held within the year.

CORPORATE GOVERNANCE COMMITTEE

Committee's Establishment	2012
Committee Chair	Ali İhsan İlkbahar
Committee Member	Levent Çakıroğlu
Committee Member	Başak Tekin Özden
No. of Meetings in 2025	7

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 28, 2025 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 and Başak Tekin Özden 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 2025 and the Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Note (CGIN) and also informed the Board of Directors on the activities of the Investor Relations Department. The committee also reviewed the TSRS-Compliant Sustainability Report and Sustainability Report and advised the Board of Directors about its opinions and views. In 2025, 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.

RISK MANAGEMENT COMMITTEE

Committee's Establishment	2012
Committee Chair	Fatma Füsun Akkal Bozok
Committee Member	Haydar Yenigün
No. of Meetings in 2025	6

The Board of Directors resolved in 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 and manage these risks, and to ensure effective functioning of the Board committees. The Board of Directors resolved on April 28, 2025 that the Committee be composed of two members, with the independent Board member Fatma Füsun Akkal Bozok as the chair and Haydar Yenigün as member. The committee convenes at least six times within the year within the framework of its operating principles. In 2025, 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 2025 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 report presented by the appointed independent audit firm on February 9, 2026 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.

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. All legally required public disclosures, such as material event announcements, are also the responsibility of the Investor Relations Department.

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

In 2025, the Investor Relations Department held **24 online and six physical meetings and 57 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.

Otokar shares are listed in the BIST 500, BIST 100, BIST Corporate Governance, BIST Sustainability, BIST Stars, BIST All, BIST Industrial, BIST Metal Machinery, and BIST 100-30 indices.

Compliance with Corporate Governance Principles

We recognize the importance of complying with the Corporate Governance Principles regulated by the Capital Markets Board (CMB), and have achieved full compliance with the mandatory principles of the Corporate Governance Communiqué II-17.1, in effect as of 2025, as well as compliance with the majority of the non-mandatory principles.

We aim to achieve full compliance with the non-mandatory Corporate Governance Principles and 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 2025 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
Total	59	2	3	0	4

Corporate Governance Rating

We are committed to complying with the Corporate Governance Principles issued by the Capital Markets Board (CMB) and introducing the necessary changes in line with the latest developments. Otokar has been rated by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. in accordance with CMB's Communiqué on The Principles Regarding Rating Activity in Capital Markets and Rating Agencies for rating the compliance of BIST-listed corporations with the Corporate Governance Principles. The Corporate Governance Rating Report is published on www.otokar.com.tr.

Our Corporate Governance Rating rose from 95.99 (9.60) in 2024 to 96.93 (9.69) in 2025.

In recognition of our sustainability-focused activities, we have been listed in the BIST (Borsa Istanbul) Sustainability Index, whose constituents include the top performers in corporate sustainability, since 2014.

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
Total	100	96.93

RISK MANAGEMENT

A robust and comprehensive risk management system guides us as we advance our operations toward our long-term value creation goal. We view risk identification and management both as a mechanism for detecting and mitigating potential threats and as a strategic process for capturing opportunities at an early stage.

Otokar's Risk Policy is 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. In addition to our own risk policy, we also adhere to Koç Group's risk policies. Potential future risks related to sustainability issued, such as climate change, and to sales, efficiency, revenue generation capabilities, profitability, debt/equity ratio and similar topics are also assessed and managed as part of the Risk Policy.

We place great emphasis on anticipating and assessing any strategic, operational, financial, legal, sustainability and other risks that may jeopardize our company's existence, growth and continuity and calculating the impact and probability of such risks. The Risk Management Committee has been established in 2012 with the objective of managing these risks according to the company's risk appetite, submitting reports, implementing the necessary measures, and taking them into consideration in decision-making processes. The committee is also tasked presenting recommendations to the Board of Directors for establishing and integrating effective internal control mechanisms.

Risk Management System

The Risk Management Committee is responsible for anticipating risks that could pose a threat to the company's existence, development and continuity, implementing necessary mitigation measures, and managing the risks. evaluates the principles for the risk management system and risk reporting within the company, examines the periodic risk reports, and expresses views on measures deemed necessary to address areas where there is non-compliance with the limits stipulated in the risk management system. The committee also reviews the risk management system and oversees the implementation of the practices in the relevant risk management departments in terms of adherence to 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. The Corporate Risk Management Policy and the Corporate Risk and Opportunity Management Procedure govern our overall corporate risk management approach, while the Compliance Policy specifies our ethical compliance standards.

Otokar's Corporate Risk and Opportunity Management Procedure, aligned with the ISO 31000 standard, lays out the processes for identifying, evaluating, and monitoring risks and opportunities. We also address climate change and sustainability risks in line with our existing risk management processes.

We apply risk-based thinking to corporate risk management and processes. In evaluating the external environment, we consider legal, technological, competitive, market, cultural, social, and economic environmental factors (national, international, regional, local) alongside sustainability-related issues. In terms of internal processes, we evaluate matters related to Otokar's values, culture, expertise, and performance. We use the positive and negative impacts of these reviews to inform our Corporate Risk and Opportunity Assessments. Otokar's process and risk owners, relevant process owners engaged in the process, the Quality Assurance team, the Environment-Investment teams, the Quality Department, and the Assistant General Manager all contribute to the identification of risks and opportunities. We base our risk assessments on Otokar's Corporate Risk Assessment Matrix scoring and also evaluate our company's potential opportunities in relevant areas.

Internal Audits

Internal audits play a key role in strengthening corporate governance and ensuring the continuity of our value creation efforts. Our internal audit activities are positioned as an independent and systematically progressing assurance mechanism that includes evaluating and improving the effectiveness of risk management and internal control processes. These processes support our operations in accordance with legislation, company policies, and ethical principles and also contribute to strengthening operational efficiency and anticipating potential risks.

The internal control system is composed of standard definitions, job descriptions, authorization systems, policies, and written procedures included in the workflows. Otokar's Internal Audit Department regularly evaluates and monitors the effectiveness of our internal control system. To ensure its independent operation, the Internal Audit Department reports administratively to the General Manager and functionally (regarding audit results) to the Audit Committee.

Our accounting records and financial statements are reviewed by the Audit Committee and the Internal Audit Department and duly reflected in the consolidated financial statements. Our company's financial records are also audited by an independent audit firm.

Otokar's Audit Reports, prepared by the Internal Audit Department, inform the Audit Committee about the internal control system and internal audit activities.

Key Risks and Opportunities

At Otokar, we follow a risk management policy, led by the General Manager under the supervision of the Board of Directors and carried out in coordination with all executives, deployed 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 effective action plans to address such risks.

The Risk Management Committee has been established to anticipate and assess any strategic, operational, financial, legal 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 appetite, 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 following our own risk policy, we also act in alignment with Koç Group's risk policies, limits, and control mechanisms. We continuously improve the risk management system, leveraging risk management principles and best practices established at Group level.

Risk management involves regular monitoring of forward-looking risks related to key performance indicators, including sales, productivity, revenue generation capability, profitability, debt/equity balance, inventory management, regulatory transitions, natural disaster risks, and environmental and social risks that may affect sustainability with the aim of supporting the company's financial resilience, operational continuity, and long-term value creation capacity.

At Otokar, we monitor our risk exposure under financial, strategic, operational, legal, and sustainability risk categories and systematically implement the necessary preventive and corrective measures to limit the potential impact of these risks.

FINANCIAL RISKS	We adopt a systematic approach to managing our financial risks to meet our financial obligations fully and on time, and to limit the potential negative effects of volatility in financial markets. Major financial risks include foreign currency risks, liquidity risks, credit risks, interest risks and receivables risks.
Foreign Currency Risk	We manage our company's foreign currency positions daily to avoid risk exposure and to remain within targeted levels. In managing exchange rate risk, cash flow structure and natural hedging mechanisms stemming from operations are prioritized, and derivatives are used when necessary.
Liquidity Risk	We manage our liquidity risks with the aim of ensuring the continuity of our capacity to meet our short-term and long-term obligations. To meet operating capital requirements and cash demand and to balance cash flow, we closely monitor and maintain the ratio of cash and cash equivalents to total short-term liabilities at the targeted levels.
Credit Risk	Credit risks are managed by restricting average risks for the other party in all agreements, except for those between related parties, and securing collaterals when needed. With this approach, we aim to limit potential collection risks.
Interest Risk	In managing interest risks, we seek to achieve a fixed/variable interest balance in financing depending on market conditions and expectations. Short-term and long-term borrowings are structured according to the company's financing policies and cash flow projections. A policy of utilizing loans with flexible maturities is implemented to adapt to market conditions.
Receivables Risk	Trade receivables are followed based on collateral limits. Conformity of debt-receivable days with the anticipated days in the budget is monitored closely. Receivables risk is managed by keeping trade receivables within the defined collateral limits and regularly monitoring the payable-receivable ratio for alignment with the projected targets in the budget. This helps keep collection performance and cash flow risks under control and contributes to minimizing operating capital requirements.

STRATEGIC RISKS	Strategic risks are structural risks that may prevent the company from reaching its short-, medium- and long-term strategies as one of the most important factors for future readiness. These risks are related to product range, customer profile, competitive landscape, brand value, market and industry dynamics, governance structure, and change management. Regulatory and legislative changes, technological advancements, business model risks, disruptions in the supply chain, cybersecurity threats, evolving customer behaviors and expectations, mergers and acquisitions among competitors, and macroeconomic volatility in financial markets also affect strategic risks. To manage strategic risks effectively, budgets and strategic plans are created by considering macroeconomic developments, market conditions, and industry trends, while future risks and opportunities are monitored regularly. This approach allows us to proactively assess the effects of potential uncertainties during the strategic decision-making processes and introduce necessary measures.

OPERATIONAL RISKS	Operational risks include losses such as those from business processes that may disrupt key operations, employees and systems, which are affected by internal systems and processes, and external factors. Risk areas such as sales, product development, capacity management, information systems and technology infrastructure , brand management, and physical risks such as earthquakes and fires are included in this category.

LEGAL RISKS	We adopt compliance with ethical principles, legislation, and international regulations applicable in all countries where we operate as a key management principle. Legal and compliance risks are closely monitored in accordance with internal policies and procedures by the in-house legal team and external legal counsel with expertise in specific areas. The Compliance Program addresses key risk areas, including, competition law, data privacy, human rights, laundering proceeds of crime and preventing financing of terrorism, international sanctions, and corruption and bribery. To anticipate and prevent such risks, compliance risks are analyzed, third-party checks are performed, and sanctions lists are monitored.

SUSTAINABILITY RISKS *	We address environmental, social, and governance (ESG) risks that could affect our long-term value creation capacity, operational continuity, and ability to meet stakeholder expectations. We consider these risks as an integral part of our corporate risk management approach and manage them in alignment with Koç Group's sustainability policies and objectives. We disclose our management approach to sustainability topics, strategy, and manner of addressing relevant risks and opportunities in detail in our TSRS-Compliant Sustainability Report, prepared in accordance with the Turkish Sustainability Standards (TSRS).
Environmental Risks	Our key environmental risks include climate change, carbon emissions, efficient use of energy and water resources, waste management, and compliance with environmental legislation. We regularly monitor climate-related physical risks (extreme weather events, water stress, natural disasters) and transition risks (carbon regulations, emission trading systems, transition to low-carbon technologies). We also implement projects for energy efficiency, resource utilization, and reducing environmental impacts. Climate-related risks and opportunities are disclosed in detail in our TSRS-Compliant Sustainability Report.
Social Risks	Our social risk framework is built on employees' health and safety, talent management, employee engagement, human rights, social compliance in the supply chain, product safety, and customer satisfaction. We manage these risks by implementing occupational health and safety practices, providing training and development programs, introducing mechanisms to encourage employee participation, and conducting supplier audits. We also monitor changes in societal expectations and stakeholder demands.
Governance Risks	Business ethics, corporate governance practices, transparency, regulatory compliance, information security, and data privacy are addressed within the framework of governance risks. We manage such risks through robust internal control and internal audit systems and compliance programs by following Koç Group's Code of Ethics. We adopt accountability and transparency as fundamental principles in establishing the Board structure, policies, procedures, and decision-making processes.

** Sustainability risks are regularly monitored through relevant performance indicators and targets, and preventive and corrective measures are implemented to limit the potential impact of these risks. Sustainability risks are managed in alignment with Otokar's strategic goals and long-term growth plans.*

BUSINESS ETHICS

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.

These values serve as the compass that sets the direction of the long-lasting, trust-based relationships we build with all our stakeholders. 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.

Otokar Code of Ethics clearly specifies the principles and codes of conduct that the entire organization should uphold. Otokar has also published the **Anti-bribery and Corruption Policy,** which lays out the procedures for preventing corruption and fraud risks.

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.** Our Ethics Policy encourages our employees, executives, and business partners to uphold the principles of honesty, transparency, fairness, and accountability in all their activities and guides our commitment to ethical principles.

Ethics Processes and Ethics Line

Otokar Ethics Board has been formed to design and effectively implement the processes regarding compliance with business ethics guidelines and prevention of unethical behaviors, including bribery and corruption, within the organization and across the value chain. This Board is responsible for all 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 and reports are addressed in strict confidence. We also implemented the Otokar Whistleblowing Policy to encourage employees and stakeholders to report any actions that they suspect are in violation of relevant policies or applicable legislation.

We take action to ensure that these principles are adopted across all levels of the organization and provide regular training on this topic. In 2025, we delivered a total of 274.5 person*hours of ethics training and 72 person-hours of anti-bribery and anti-corruption training.

As specified in these policies, we expect all our employees to fully adhere to our Code of Ethics and reinforce compliance across the company through awareness campaigns and internal control mechanisms. In all these efforts, we view providing an ethical and transparent work environment as a fundamental element of sustainable corporate success.

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.

OUR CORE GUIDING VALUES

INTEGRITY
HONESTY
RESPONSIBILITY
TRUST
RESPECT

Trainings	2023	2024	2025
Total ethics training time (person*hours)	228	303	274.5
Total anti-bribery and anti-corruption training time (person*hours)	79.8	58	72

Ethics Incidents	
Ethics violations reported in 2025	56
Ethics violations resolved in 2025	56

We diligently evaluate and resolve ethics violations communicated via the Otokar Reporting and Notification Line or the Koç Holding Ethics Line, which are both accessible to all our employees and stakeholders. The Ethics Line allows notifications to be made anonymously to ensure protection against retaliation. In 2025, we resolved all 56 ethics violations reported via the Ethics Line. During the reporting period, no public lawsuits regarding corruption were filed against our company or our employees.

100%

Resolution rate of ethics violations reported in 2025

COMPLIANCE

Our Compliance Policy demonstrates our company's commitment to defining a comprehensive and effective compliance framework and adhering to 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.

In 2024, we had prioritized compliance risks related to bribery and corruption. In 2025, we shifted our focus to human rights risks and gathered information, reviewed documentation and performed analyses. We also conducted an internal survey on this topic with a total of 411 office and field employees. Following the survey, we held two separate group workshops with employees from different levels. The assessment of human rights risks through a systematic compliance approach has continued into 2026.

Competition Law Compliance Policy

Competition Law Compliance Policy is an indication of our commitment to complying with competition law in our commercial activities and relations with our 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

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. 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.

SYSTEMATIC RISK ASSESSMENT

- Identifying compliance risks
- Assessing identified risks and determining action plans for risk mitigation
- Monitoring actions
- Evaluating outcomes of the actions

The Compliance Policy can be accessed under the **Policies** section.

CORPORATE REPUTATION

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. Together with our subsidiaries based in five countries, we strive to maintain and strengthen our brand value year over year and always uphold our own values, knowing that we should effectively 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 80 countries across five continents. With buses ranging from 6 meters to 21 meters in length, and environmentally friendly and alternative fuel solutions, we offer the widest product range in Türkiye and continue to maintain our market share. In 2025, we became Türkiye's most preferred bus brand for the 17th consecutive year. 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. According to Turkish Statistical Institute (TURKSTAT) data, one out of every three buses sold nationwide was Otokar branded.

In recognition of our export achievements in 2025, Otokar was named the leader in land vehicle exports in the Turkish defense industry by the Presidency of Defence Industries. We hold a distinct position in land vehicles for the defense industry with our expertise in the design, development and system integration of all kinds of vehicles and platforms. We manufacture tactical wheeled and tracked armored vehicles and turret systems with owned intellectual property rights and export defense industry products to nearly 50 friendly and ally countries.

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

In 2025, we received awards in the "Export," "Employment," and "Sustainability" categories at the Sakarya's Stars Award Ceremony. In addition, "A Strong Future with Otokar," the project we launched for a sustainable society, won the "The Future of Work" category at the Shared Tomorrows Award Program.

We steadily strengthen our brand value. We also maintain high performance in various rating agencies' assessments, which affect both our brand value and our financial credibility. **Our Corporate Governance Rating currently stands at 9.69.**

We have been continuously listed in the BIST Sustainability Index since 2014. In 2025, 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" and Long-Term International Rating (local and foreign currency rating) as "BB" and outlook as "Stable."

Widest product range in the bus segment **in Türkiye.**

Leader of the Turkish bus market for the **17th consecutive year.**

Türkiye's export leader in land vehicles for the second time.

One out of every three buses sold in Türkiye bears the **Otokar** brand.

FOR BUSINESS

We support our sustainable growth with innovative designs and local technologies, focusing on creating lasting value in global markets.

USD 1.212 million
Revenue

0
Customer Data Loss

83%
Local Supplier Rate

620
R&D Employees

40
Suppliers Assessed for Sustainability Performance

5
Partner in 5 International Projects

SUSTAINABLE GROWTH

At Otokar, we aim for sustainable growth in global markets and creating value for our stakeholders as key priorities. As a leader in the Turkish automotive and defense industries, we are committed to maintaining our leading position and consistently expanding 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 maintain our leadership in the Turkish bus market, we aim to grow our vehicle park in export markets, primarily in Europe, through our subsidiaries, affiliates, and branch offices. With an alternative fuel product lineup, carefully developed by considering the global macro outlook, the changes in energy supply and resources, and future climate change projections, we are prepared to meet the needs of cities undergoing sustainable transformation. 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, in which we are the export leader in land vehicles, 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.

Sales

In 2025, our total sales volume increased by 39% year-on-year and revenues by 18%, reaching TL 52 billion. Domestic sales revenue grew by 14% to TL 17.7 billion and export revenue by 20% to TL 34.2 billion, accounting for 66% of our total revenues. After posting an EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) loss of TL 1 billion in 2024, we reported TL 2.2 billion in earnings in 2025, primarily supported by high-value deliveries and slower inflation rate increases along with effective cost management and operational discipline.

Tax policy and practices: Like all other Koç Group companies, we apply the directives, circulars and policies of Koç Holding for our tax management methodology. In simplest terms, the policy principles are

SUSTAINABLE GROWTH METRICS	2023	2024	2025
Sales Volume (units)	5,151	5,394	7,474
Position in Türkiye's Bus Market (by units sold)	1	1	1
No. of Countries Where Otokar Vehicles are Used	75+	75+	80+
Revenue (TL billion)	51.4	33.9	51.9
Net Profit for the Period (TL million)	3,719	-4,063	-1,459
Equity Ratio by year-end (%)	26	18	13
No. of Employees (year-end)	4,393	3,772	3,659
Capacity Utilization Rate (%)	52	51	54
Ratio of R&D Spending to Revenue (%)	4	5	4
Share of Otokar-designed Vehicles in Revenue (%)	95	71	68

SALES (TL billion)	2023	2024	2025
Domestic Sales	13.6	15.55	17.74
Exports	37.81	28.56	34.22
Total	**51.48**	**44.11**	**51.96**

SALES VOLUME (units)	2023	2024	2025
Microbuses	195	169	183
Small Buses	1,718	1,821	1,629
Buses	1,937	1,643	1,865
Light Trucks	996	1,262	1,521
Pickup Trucks	-	298	1,791
Military Vehicles	305	201	485
Total	**5,151**	**5,394**	**7,474**

AS A GLOBAL PLAYER, WE SERVE OUR EXISTING AND POTENTIAL CUSTOMERS IN VARIOUS REGIONS OF THE WORLD THROUGH OUR SUBSIDIARIES AND COMPETE WITH GLOBAL COMPANIES.

described as commitment to integrity and ethical values and compliance with local and international legislation in the jurisdictions where we operate. Pursuant to Article 3.2 of Koç Group Code of Ethics, we aim 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, keep our practices up-to-date and manage risks at the micro and macro levels. To mitigate 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 tax offices 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.

Investments

Our R&D activities continued at full steam as we worked toward our goal of achieving rapid growth. As of 2025, our investments have reached approximately USD 77 million, including capitalized R&D spending. These investment expenditures, aimed at increasing our long-term competitiveness and reinforce our technological leadership, include reorganizing production areas, efforts to improve efficiency, R&D, modernization, and maintenance.

Consistent Growth in Commercial Vehicles

Strong growth in cargo transportation group and revenue increase in commercial vehicles: We achieved significant growth in commercial vehicles, driven by light truck and pickup truck sales in the cargo transportation group. Responding to diverse market needs with our light trucks and pickup trucks, we increased our competitiveness in commercial vehicles while also creating new growth areas in both domestic and international markets. The share of the cargo transportation group in total revenues rose from 7% in 2024 to 12% in 2025. Light truck sales volume increased by 21% year-on-year, while we sold 1,791 pickup trucks, added to the product lineup in the last quarter of the year, greatly contributing to the growth in commercial vehicles. In 2025, the Turkish pickup truck market, in which we held an 8% share, grew by 21%. These developments resulted in a 9% increase in our commercial vehicle revenue compared to the previous year, bringing the total to TL 33 million.

Leadership in the bus segment and growth in Europe: We maintained our leadership in the bus segment in Türkiye for the 17th consecutive year as we kept working toward our growth target in the European market. As a result of these efforts, we sold buses to Sweden for the first time and delivered our first right-hand drive vehicles to the Channel Island of Jersey. We continued to bring innovative products and solutions to the field, while our Level 4+ autonomous public transportation bus began operating in Spain. In 2025, the share of alternative fuel vehicles in newly registered buses across the European Union rose to approximately 30%. We also received high-volume orders for our electric buses, particularly from Italy, further reinforcing our position as a preferred and trusted brand in international markets.

Strategic partnerships and production capabilities: In automotive manufacturing, flexible production capabilities and joint production agreements deliver cost advantages and global market access. As a Koç Group company, we continued to make strides during this reporting period. Following our successful collaboration with Iveco Bus, we signed an agreement with Daimler Buses in 2025. As Türkiye's first intercity bus manufacturer with over 60 years of experience, we will begin producing Mercedes-Benz Conecto buses at our Sakarya plant for Daimler Buses by the end of 2026.

Consistent Growth in Defense Industry

Strong momentum in military vehicle deliveries: Military vehicle deliveries gained significant momentum in the last quarter of 2025. The share of military vehicles in total revenues rose from 16% to 27% and sales volume increased by 141% year-on-year. This critical development in military vehicle operations played a key role in improving both gross profit and EBITDA figures.

Successful sales and exports in 2025: The sales revenue of military vehicle doubled year over year, reaching TL 14 billion. Our military exports constituted 97% of our total defense industry revenue. Deliveries to the Estonian Defense Forces, a large-scale military vehicle order received at the end of the year, and sales in Romania were the primary drivers of this increase.

Export leadership in defense industry: In recognition of our export achievements, we were named the leader in land vehicle exports in the Turkish defense industry by the Presidency of Defence Industries and ranked among Türkiye's top 10 defense industry exporters. Since securing the largest single-item land platform export contract Türkiye has ever received, we have delivered 194 armored vehicles to the Romanian Armed Forces by the end of this reporting period as part of our ongoing project with Romania. While deliveries continued, we initiated an investment for production in Romania in early 2026.

CONTRIBUTING TO LOCAL ECONOMY

WE ACHIEVE CONSISTENT GROWTH WHILE ADDING VALUE TO THE TURKISH ECONOMY, CONTRIBUTE DIRECTLY AND INDIRECTLY TO OUR COUNTRY, AND CONTINUE TO DEVELOP SUSTAINABLE TRANSPORTATION SOLUTIONS.

At Otokar, we operate with the mission of adding value to the country where we were founded and contributing to the Turkish economy. As we adopt this approach as a crucial factor for sustainable growth, we remain committed to upholding our values, corporate culture and excellent business ethics and operating principles.

We create both direct and indirect economic contribution across our value chain. Our direct contributions include employment, primarily at our Sakarya factory, support for the national economy by working with local suppliers, the taxes we pay, profitability generated for our shareholders and creditors, our export volume and our donations to social causes and community projects. 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. As a result, we continue to contribute to the national economy and our communities across every stage of economic value creation.

Our approach to contributing to the local economy is incorporated into our production strategy by considering the impact of climate crisis on the world. In line with our goal of having an entire low-emission and zero-emission product range, we develop solutions by anticipating public transportation trends and user needs and create value for cities, both in Türkiye and other countries. As the company that introduced Türkiye's first hybrid, electric, and smart buses, we advanced our commitment to sustainable transportation in 2025.

CONTRIBUTION TO LOCAL ECONOMY - METRICS	2023	2024	2025
No. of Employees (Türkiye)	4,283	3,665	3,543
No. of Employees (International Subsidiaries)	110	107	116
Subcontractor Employees (Türkiye)	382	383	380
Local Supplier Rate* (%)	79	80	83
Local Sourcing Rate* (%)	48	53	51
Exports (USD million)	667	666	798
Dividend payout (TL million)	720	-	-

*Excluding subsidiaries

SUPPLY CHAIN MANAGEMENT

At Otokar, our supply chain management and purchasing activities are guided by established policies, which ensure that all relevant processes follow the principle of accountability and global business practices. The objective of our **Purchasing 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. Through our **Supply Chain Compliance Policy,** we aim to share our company's core principles and values with our business partners and offer guidance on the required standards. This policy also provides a framework for selecting and monitoring our business partners.

At Otokar, we evaluate all national and global supply alternatives, giving priority to local suppliers, to remain competitive in both domestic and international markets. In 2025, we reached a local sourcing rate of 51% and a local supplier rate of 83%. We have developed a strong, highly efficient and transparent communication system to facilitate our relationship with our suppliers. Accordingly, we prefer working with suppliers that invest in technology, value their people, and respect the environment and human health. also support the development of our existing suppliers in these areas. We establish long-lasting 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 contemporary management principles.

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. We expect all our business partners to adhere to this policy, to the extent applicable for the respective business, and take the necessary steps to ensure compliance.

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. We actively work with alternative local suppliers for several products.
In supplier selection, 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 gathered in the supplier pool, which is used for all purchases.

We utilize working models such as VMI (Vendor Managed Inventory), BTO (Build to Order), Kanban, and JIT (Just in Time) to ensure efficiency in sourcing. We also use milk run, a logistics and supply chain routing strategy, to optimize collection and distribution processes.

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.
- Verifying 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.

We view working with business partners that align with our strategic direction and fundamentally adopt our core values as a key consideration. Therefore, 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

Otokar Purchasing Policy and Supply Chain Compliance Policy are available under the **Policies** section.

Sakarya University has been awarded a grant for 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.” Otokar's Supplier Sustainability Survey is included in the project and faculty members from Sakarya University participated in the training and provided information about the program.

Environmental and social parameters for supplier selection and audits: At Otokar, we categorize suppliers, which have the potential to directly impact production or operations, with whom we engage in high-volume business, and which supply original, irreplaceable products, components, or services that could potentially disrupt production in case of supply shortage, as critical. These critical suppliers are essential for us to maximize the efficiency of our supply chain management. This approach ensures that suppliers with the highest operational, financial, quality, and sustainability risks for our company are prioritized and managed. In 2025, we measured the performance of 40 critical suppliers through an ESG Survey as part of our Supplier Assessment and Development Program.

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. 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 with the aim of increasing the level of implementation. In audits conducted with a risk-based approach, suppliers that are signatories of the UN Global Compact and suppliers who hold ISO 14001, ISO 45001, and ISO 9001 certifications are categorized as the low risk group.

The Business Ethics Self-Assessments, introduced in 2022 for local suppliers, continued in 2025. This assessment addresses criteria such as employment, occupational health and safety, discrimination, disciplinary practices and protection of personal data (KVKK). We plan to incorporate Business Ethics Self-Assessments into Social and Environmental Audits in 2025.

ENVIRONMENTAL AUDITS AT SUPPLIERS	2023	2024	2025
Suppliers audited according to environmental criteria	27	30	47
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	2023	2024	2025
Suppliers audited according to social criteria	27	30	0
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

PRODUCT AND SERVICE RESPONSIBILITY

Quality and Product Safety
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.

Product responsibility and safety: Providing safe products and services in universal quality norms and standards forms the basis for how we operate. This responsible business approach is rooted in fulfilling our obligations completely and in a timely manner, as required by our industries and fields of operation. Therefore, we adopt applicable standards, closely monitor legislation, ensure that our customers are always equipped with accurate information about our products and terms of use, and consider the potential social, environmental, and economic impacts that our products and services may create.

Since our products are subject to various laws and regulations depending on their purpose and markets where they will be used, we diligently monitor applicable legislation to ensure and maintain legal compliance. For Otokar, operating in the defense industry comes with critical product safety and quality requirements and responsibilities that form a core value of our company and underpin our competitive strength. Pursuant to applicable laws and statutory requirements, 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.

We go beyond compliance and legal requirements and manage product and service quality in line with internationally accepted product and management standards. These efforts enable us to standardize the quality of our products and services, while ensuring that we sustain our performance levels. 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.
In 2025, we passed the ISO 9001, ISO 14001, and ISO 10002 Integrated Management Systems recertification audit by Bureau Veritas and renewed our certificates. We also passed the first control audit for the ISO 50001 Energy Management System to extend the validity of our ISO 50001 certification.
In addition, the Turkish Ministry of Defense completed an interim control audit on our Quality Management System and approved the extension of our AQAP 2110 certification.

The key objectives specified in our Quality Policy include:
- 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 and 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 and 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	2023	2024	2025
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

Otokar Quality Policy is available under the **Policies** section.

Quality controls: At Otokar, we implement industry-leading quality management practices in all processes from receiving materials from suppliers to delivering products to customers. The quality controls are performed by a team of qualified experts using advanced measurement techniques, calibration procedures, and physics and chemistry laboratory systems to maintain the highest standards. As a result, we ensure that both our production processes and our end products meet high performance and reliability criteria.

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 2025. 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 local and global industry benchmarks in production infrastructure and management processes.

Customer Satisfaction

At Otokar, we aim to create ultimate customer satisfaction and to build long-lasting relationships based on trust. **Otokar Customer Satisfaction Policy** and **Otokar Quality Policy** provide guidance for managing customer relations within a systematic and disciplined framework.

With over 60 years of experience, Otokar is a pioneer and industry leader, designing and developing products using its own R&D and engineering capabilities, and introducing 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 our Customer Satisfaction Policy is to establish strong and long-lasting relations with our clients based on mutual trust, while ensuring their ultimate satisfaction.

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)
- CoP (Conformity of Production) Certificate

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: The performance of vehicles is tested in an electromagnetic environment, sources of electromagnetic interference are identified, and products are enhanced to meet compatibility criteria.
- Automotive and field tests: Automotive and field tests examine the behavior of wheeled and tracked vehicles developed by design teams under real-world operating conditions and dynamic loads in water and on land.

Otokar Customer Satisfaction Policy and Quality Policy are available under the **Polices** section.

Customer satisfaction processes: We prioritize building strong relationships with our clients based on mutual trust and achieving ultimate customer satisfaction under all circumstances. We constantly keep our ISO 10002 Customer Satisfaction Management System Standard and ISO 10001 Quality Management-Customer Satisfaction certifications - obtained for efficient management of customer satisfaction processes in alignment with internationally accepted approaches - up-to-date. 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. Customer satisfaction in after-sales service processes is also 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.

According to our Customer Satisfaction 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).
- We offer customer-centric solutions to applications submitted to the company in accordance with internal policies, legal and other obligations 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 leveraging 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	2023	2024	2025
Call Center Resolution Satisfaction Rate (%)	61	69	69
Call Center Customer Satisfaction Rate (%)	90	89	88
Resolution Rate (%)	99.4	99.7	99.6
Service Center Satisfaction Rate (%)	84.1	85.8	88
Net Promoter Score (NPS)	-	49	49
Dealer Satisfaction Rate (%)	94	95	94
Customer Average Resolution Time per Day	3.54	3.74	4.05
Roadside Assistance Response Time Satisfaction Rate (%)	91	90	88

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 assessments and customer experience perspective.

Solution Path Customer Satisfaction Assessment: This survey, designed to assess the reporting processes of customers who contact our Customer Relations Management (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: The trust we elicit from our customers is rooted in providing them with accurate, complete, and timely information, and receiving their feedback, which we use to improve our products and services. We have in place multiple custom-designed communication channels to provide complete information about our products and services. Customers may directly access information such as product specifications, features, environmental impact, and safe terms of use via these channels. Otokar's corporate website, product fact sheets, user manuals, vehicle modification guides, and various other documentation are also resources available to the customers. In addition, customers may submit their service requests, opinions and suggestions via the Otokar Customer Service Line, website or authorized dealers and services.

In 2025, 99.6% of the 4,501 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

Due to the nature of our operations and activities in our respective industries, information security represents a critical issue in every single business process. We view our information assets (including consumer information assets) as an important resource for capturing a competitive advantage locally and globally 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 obligations regarding information security, 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. As specified in our **Information Security Policy**, this approach enables us to achieve operational continuity and to avoid loss of trust, legal risks, and material damages.

Data privacy: As a company operating in the defense industry and a manufacturer that develops and designs products using its own know-how and expertise, we address data privacy as a critical matter. The growing threats against information security globally make the protection of our

DATA SECURITY METRICS	2023	2024	2025
No. of Employees Who Received Information Security Training	1,201	1,174	1,664
No. of Detected Incidents Involving Customer Data Loss, Theft or Leaks	0	0	0
Uptime (%)	99.4	99.6	100

Otokar Information Security Policy is available under the **Policies** section.

information assets increasingly important for both Otokar and our stakeholders.

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, we comply with ISO 27001 Information Security Standard and AQAP 2110 NATO Quality Assurance Requirements Standard for Design, Development and Production.

Protection of personal data: At Otokar, we prioritize and diligently protect personal data. Our **Personal Data Protection Policy** lays out the key principles we have adopted to process personal data in detail. Through this policy, we advise data subjects transparently and clearly 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 comprehensive training on data privacy and commit to protect confidentiality in full compliance with legal and corporate obligations. Processes related to data privacy are regularly assessed and subjected to comprehensive evaluations for continuous improvement.

Cybersecurity: According to the World Economic Forum's (WEF)[10] annual Global Risks Report, cybersecurity is among the ten most anticipated risks with the highest severity in two- and ten-year time horizons. We minimize the negative operational and reputational impacts of this national and international risk in both current and potential scenarios through mitigation measures.

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.

According to our assessments, the applications connected to the internet pose the highest risk in terms of cybersecurity at Otokar. Since such risks are eliminated through various measures and protections like IPS and firewalls, no adverse situations were encountered in 2025.

- We employ a multi-layered security architecture across the company. Cyber threats are proactively prevented by implementing measures in line with current threat intelligence and security updates.
- In terms of network security, redundant external and internal firewalls, installed to provide high availability, are actively operational. All necessary security hardening, IPS/IDS, application control, and advanced threat prevention services on these devices are effectively used, ensuring both reliable continuity in network traffic and increased security levels.
- Web traffic is monitored via a Web Application Firewall (WAF) for external requests. Internet access for client and server systems is granted through a proxy infrastructure, and access is controlled in accordance with role- and authorization-based security policies.
- Email traffic is filtered through two separate email security gateway layers and actively monitored against spam messages, phishing attacks, and malicious content.
- In terms of endpoint security, up-to-date antivirus solutions are used in all client and server systems and monitored through centralized administration. In addition, EDR/XDR (Endpoint/Extended Detection and Response) solutions enable anomaly detection, behavioral analyses, and enhanced threat visibility at endpoints.
- To protect corporate data, we use data loss prevention (DLP) solutions. Unauthorized sharing of sensitive data via email, web, portable media, and other data channels is monitored in accordance with applicable policies.
- All security logs are communicated to a central log management system and monitored 24/7 by the Security Operations Center (SOC).
- Security incidents are analyzed using correlation rules and threat intelligence feeds, and instant alerts and responses are activated in critical events.
- In the event of potential security incidents, virtual and physical infrastructure teams work in coordination for immediate response. As soon as the threat is detected, dedicated teams take action in tandem and follow the isolation, analysis, root cause investigation, and remediation processes to contain security incidents and implement permanent measures.

(10) reports.weforum.org

Otokar Personal Data Protection Policy is available under the **Policies** section.

R&D AND INNOVATION

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 our own technology have formed the basis of our R&D and innovation approach.

The high technology vehicle groups and systems we manufacture are designed in-house. In the reporting period, Otokar's own designed vehicle sales accounted for 68% of total revenues. Our R&D capabilities include CAD software for product development, prototyping workshops and software, computer-assisted analytics and simulation software, and testing apparatus and software. In 2025, Otokar's R&D spending corresponded to 4% of the company's revenues.

R&D Center

Our 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. Currently, 620 employees work at the R&D Center, which is positioned as the most qualified facility in Türkiye.

Electric vehicles: Electric vehicle development remains a key focus of Otokar's long-term strategy of reducing our environmental impact and increasing operational efficiency. Our advancements in 2024, including the unveiling of the new 100% electric e-Kent public transportation bus, the expansion of our Atlas light truck lineup with the new 11-ton and 15-ton models, and the introduction of the 100% electric e-Atlas model, continued into 2025.

As a zero-emission vehicle, the all-electric e-Territo aligns with carbon footprint reduction objectives in transportation. Equipped with 15 modular battery packs, the e-Territo offers up to 450 kWh of usable battery capacity and a driving range of up to 500 kilometers. Its electric motor delivers 97% efficiency and generates up to 557 horsepower. Energy efficiency is further supported by a variable-speed electric hydraulic power steering pump and a heat pump system used for cabin heating. With these specifications, the e-Territo represents an environmentally efficient and cost-effective solution for public transportation. This approach to product development and production earned Otokar the Ecology Award at the Busworld Awards for the e-Territo model.

R&D AND INNOVATION METRICS	2023	2024	2025
Ratio of R&D Spending to Revenues (%)	4	5	4
Number of Passenger Transportation Product Segments Offering at Least One Alternative Fuel Version	3/5	4/5	4/5
Number of R&D Center Employees	691	639	620
Participation in International Projects (number)	6	3	5

Our innovative and alternative fuel vehicles continued to receive significant international recognition in 2025.
The autonomous e-Centro completed comprehensive tests conducted by TÜV Rheinland in Hungary and the electric microbus started operating in Cagliari, Italy. The leading German magazine Omnibus Spiegel tested the e-Kent bus. At Busworld Europe in Brussels, we exhibited future transportation solutions focusing on our electric vehicle portfolio, including e-Centro, Navigo U Giga, Ulyso, e-Kent, and e-Territo models. We also unveiled the 10.9 m e-Kent for the first time during the exhibition. Such developments during the reporting period are testament to Otokar's position as a leading brand that creates value both in Türkiye and the world and offers innovative and environmentally friendly transportation solutions.

EGO General Directorate, in collaboration with WAT Mobility and Otokar, initiated the trial of the first electric bus. A delegation from the Ministry of Industry and the Autonomous Vehicle Committee visited the Otokar plant to observe the developments in the industry. We displayed our e-Centro and e-Atlas models at the EV Charge Show 2025 at the Istanbul Expo Center. We started selling e-Territo, the latest addition to Otokar's electric vehicle lineup, in France, the first in Europe. All these initiatives reinforce Otokar's leading position in electric vehicle technologies and brings it to the forefront as a brand that shapes the transportation solutions of the future.

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. In the reporting period, the autonomous e-Centro began carrying passengers in Mercamadrid, the smart urban district in the Spanish capital. The AcceptRemote Project, in which Otokar is a partner, was approved following a high-scoring evaluation under the Horizon Europe framework. The project will trial Türkiye's first autonomous vehicle application on public roads.

Hydrogen fuel-cell technology: In line with our commitment to advancing green mobility solutions for a sustainable future, we have intensified our efforts on hydrogen, a gas derived from renewable energy and water. Kent Hydrogen, the first bus of Otokar powered by hydrogen fuel cell technology, operates by utilizing hydrogen, 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.

Otokar is a contributor to Koç University's Hydrogen Technologies Center (KUHyTech) that was opened in 2024 to advance the production, storage, transportation, and commercialization of green hydrogen. In addition to participating in the center's activities, we continue to drive R&D & innovation for a more sustainable future.

Military vehicle development capability: R&D is a highly critical element in the defense industry. R&D capabilities should be continuously enhanced to strategically reduce dependence on imports, maintain our country's and

WE USE ADVANCED TECHNOLOGY SOLUTIONS TO DEVELOP VEHICLES WITH LOW ENVIRONMENTAL IMPACT AND HIGH OPERATIONAL EFFICIENCY.

Green R&D
Otokar's innovative work on alternative fuel vehicles, in line with its mission of offering sustainable, environmentally friendly, and economical transportation solutions, elevates its brand value in both local and international markets.

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 superior design and development capabilities, we develop vehicles tailored to client needs and requirements and compete with global industry titans.

We leverage our engineering capabilities and continuous improvement approach in developing advanced technology products. We signed a strategic cooperation agreement with Guardiaris, a Slovenia-based company specializing in military training and simulator solutions, during the SIDEC 2025 International Defence Exhibition and Conference. The cooperation aims to establish a framework for joint projects, product development initiatives, and new market opportunities by combining the technical expertise of both parties.

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, our effectiveness in international projects was further reinforced, resulting in additional R&D discounts from the Ministry of Industry. In 2025, Otokar was a partner in five EU projects.

AGASSI: During the first year of the AGASSI project, which was launched early in the reporting period, comprehensive preparation and planning activities were carried out to define the project's strategic direction. These efforts established a strategic foundation that will enable rapid and effective implementation in the later phases of the project. Current-state analyses of automotive manufacturing and supply chain processes were conducted, and priority transformation areas were identified in line with the Industry 5.0 vision. Together with consortium partners, technical requirements, the project roadmap, and the target architecture were defined more clearly. The integration of digital twin technologies, digital product passports, and smart manufacturing technologies into the project is planned.

NexTArc: As part of the NexTArc (Next Generation Open Innovations in Trustworthy Embedded AI Architectures for Smart Cities, Mobility and Logistics) project, that we launched in 2025, analytical studies were conducted to enhance efficiency, traceability, and security in internal and external logistics processes. Internal logistics operations at our Sakarya Plant, as well as external logistics flows from suppliers to the plant, were analyzed in detail. Existing data and processes were assessed to identify operational bottlenecks and improvement opportunities. The resulting analyses and documentation were structured to support objectives such as reducing the number of vehicles, optimizing routes, and ensuring the secure integration of autonomous logistics solutions. The project has provided a decision-support framework for future digital and autonomous logistics investments.

TASTI: The main objective of TASTI (Application-Tailored Synthetic Image Generation), launched prior to 2025, is to develop a modular transferable technology framework by generating synthetic images of the error types encountered in industrial systems and classifying those errors with neural networks trained with these images. We aim to integrate the project outputs into applications where machine vision systems are utilized. The project, approved by TÜBİTAK and supported with the Celtic (Eureka) label, is carried out with 17 partners from six countries, including Türkiye. In the first year of the project, an autoencoder-based AI algorithm was developed for detecting anomalies in data received from camera sensors. The project is ongoing as of the reporting year.

Sa4CPS: The objective of the Sa4CPS project, launched in previous years and ongoing as of the reporting period, is to develop a secure situation awareness concept for critical cyber-physical systems in the logistics, mobility, energy and security sectors. As part of the project, a pilot application was introduced for a camera-based human detection and warning system integrated into forklifts, particularly with the goal of further enhancing occupational health and safety in critical operational areas. The targeted outcomes of the pilot application include reducing accident risks, supporting operational continuity, and further improving the safe work environment. We provide an implementation site for the ITEA4 project, which involves 20 partners from five countries, and plan to integrate the solutions developed into our systems.

MATISSE: The MATISSE project, launched in previous years and ongoing as of the reporting period, aims to advance the development of digital twins for complex industrial systems. Digital twin technology enhances productivity and quality through simulation, testing, and prediction system behavior and virtual representation to meet the accuracy, accessibility, and reliability requirements of complex industrial systems. The MATISSE project simplifies the development process by enabling early verification and validation of these systems through model-based engineering of digital twins. Through the HORIZON-KDT-JU project, which involves 30 partners from seven countries, we aim to enhance productivity and quality by participating as both a technology developer and an application provider.

FOR PEOPLE

We believe that employee happiness and engagement will bring success in professional life and we strive to build a work culture that fosters a highly motivating work environment open to continuous development. Providing a fair, equitable and respectful work environment where employee rights are protected, we adopt a management approach with people at the center.

3,659
Total Workforce

1,041
Field Audits

38%
Women's representation on the Board of Directors (incl. subsidiaries)

32,170.5 hours
Total OHS Training Time

100%
Unionization Rate of Field Workers

~97%
Performance Appraisal Rate of Employees

HUMAN RESOURCES APPROACH

Our goal is to attract highly qualified talent to the company and to ensure the loyalty of our current employees. For this purpose, we aim to create an equitable and reliable work environment, free from discrimination against religion, language, race and gender without compromising ethical values. The objective of our **Human Resources Policy** is to be an employer of choice in the industry. This can be achieved by providing 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.

Recruitment

We aim to build a creative, innovative and qualified workforce, open to newness and aligned with the company's goals. As of year-end 2025, our total workforce, including Türkiye and our international subsidiaries, stood at 3,659 employees. This year, 383 office and field employees joined our team.

To promote Reverse Brain Drain, two office employees and one Gear Up Visionary were hired in 2025. Throughout the year, We continued to improve the effectiveness of our human resources processes with an employee-centric approach and digitalization efforts. We also expanded our candidate pool by participating in İŞKUR's Disabled Day and recruited 12 disabled employees in 2025. In addition, 13 employees joined the Rotation Program to advance their careers within the Group.

In 2025, 237 high school and 123 university students joined our internship programs, which offer young talent new learning experiences. As part of the efforts to strengthen the employer brand, high school and university students visited the Otokar Plant and participated in technical tours. The Talent Acquisition and Business Partnership team joined face-to-face and online events to introduce Otokar to young talents.

EMPLOYEES		2023	2024	2025
Total employee count (Türkiye)		**4,308**	**3,665**	**3,543**
	Female	218	217	247
	Male	4,090	3,448	3,296
Total employee count (International)		**85**	**107**	**116**
	Female	21	23	24
	Male	64	84	92

EMPLOYEES BY CATEGORIES		2023	2024	2025
Office employees		**980**	**900**	**903**
	Female	184	183	203
	Male	796	717	700
Field employees		**3,413**	**2,872**	**2,756**
	Female	55	57	68
	Male	3,358	2,815	2,688
Subcontractor employees		**934**	**377**	**380**
	Female	105	124	131
	Male	829	253	249
Disabled employees		**131**	**119**	**116**
	Female	17	17	17
	Male	114	102	99

GEARUP VISIONARY
We introduced the GearUP Visionary program with the aim of evaluating seniors at universities and recent graduates to train the engineers and leaders of the future.

THROUGH OUR HUMAN RESOURCES POLICY, WE AIM TO PROVIDE OUR EMPLOYEES WITH A WORK ENVIRONMENT THEY CAN BE PROUD OF, ENABLE THEM TO CONSISTENTLY DELIVER HIGH PERFORMANCE BY REALIZING THEIR POTENTIAL, AND BECOME ONE OF THE MOST PREFERRED COMPANIES IN OUR INDUSTRY BY DEVELOPING THEIR KNOWLEDGE, SKILLS, AND COMPETENCIES.

EMPLOYEE TURNOVER	2023	2024	2025
Total no. of employees leaving the company	**1,129**	**1,110**	**583**
Female	37	38	26
Male	1,092	1,072	557
Under 30	**546**	**519**	**297**
Female	11	16	10
Male	535	503	287
30-50	**461**	**448**	**234**
Female	23	20	14
Male	438	428	220
Over 50	**122**	**143**	**52**
Female	3	2	2
Male	119	141	50

NEW RECRUITMENT FIGURES	2023	2024	2025
Total number of new employees	**2,210**	**482**	**383**
Female	94	38	53
Male	2,116	444	330
Under 30	**1,522**	**310**	**262**
Female	50	19	27
Male	1,472	291	235
30-50	**652**	**164**	**116**
Female	41	18	26
Male	611	146	90
Over 50	**36**	**8**	**5**
Female	3	1	0
Male	33	7	5
No. of interns employed within the year	**257**	**321**	**359**
Female	45	40	47
Male	212	281	312
No. of new graduates employed	**38**	**30**	**27**
Female	6	7	10
Male	32	23	17
No. of positions filled with internal candidates	**216**	**15**	**19**
Female	91	2	4
Male	125	13	15
No. of new employees of other nationalities	**18**	**41**	**21**
Female	5	3	3
Male	13	38	18

EMPLOYEE EXPERIENCE

We carefully design all aspects of the employee experience from the moment our coworkers join our team. We promote a work environment where learnings are shared, communication is supported, and technology shapes our thinking. Employee experience and satisfaction are a key priority for our Internal Communications and Employee Experience team. We also address this issue holistically under the umbrella of our Human Resources Directorate.

To elevate employee satisfaction, we evaluate all feedback received through our suggestion system and implement improvements in relevant areas. This approach transforms both our processes and our behaviors. Together, we build a work culture that fosters engagement and supports a peaceful and sustainable value creation environment.

In total, 509 experiences shared through the mobile app, which allows employees to seek and find solutions to their immediate issues, were resolved with a 97% success rate. Our Employee Engagement and Well-being Survey resulted in an 88.7% engagement rate, demonstrating an improvement of 5.3%. With this score, Otokar became the company with the highest successful engagement rate within Koç Group and Koç Holding Automotive Group. The EX Action Coaches program, designed to provide guidance to leaders in strengthening their action plans within their sphere of influence and helping them effectively manage communication processes with their teams, was supported with engagement- and experience-focused workshops and training throughout the year. As a result, team engagement scores rose by up to 55 points.

Well-being Approach

In line with the **Well-being Policy** we implemented in 2025 under the leadership of Koç Holding, we shape our well-being around four pillars: financial, social, mental, and physical. By continuously improving working conditions based on these four pillars, we support employee well-being with a holistic approach. Following our Well-being Policy, we implement various internal best practices. With the launch of the Spring Games, 921 employees participated in social and sporting events. As part of our employee-friendly practices, we grant leaves for mothers, who wish to be with their children on special occasions such as the first day of school and report card day.

INTERNAL BEST PRACTICES PER WELL-BEING POLICY

Free healthy snacks: Free healthy snacks are available to our coworkers every weekday via vending machines.

Free breakfast: Our coworkers may enjoy three types of breakfast food for free.

24/7 unlimited and free hot beverage options: All hot beverages available in the vending machines are offered free of charge to our coworkers.

Extensive, high-quality, and safe employee commuting by Otokar vehicles: We offer a wide network of shuttles operating in the province of Sakarya and the surrounding cities of Kocaeli and Istanbul.

Wide selection of meals: We offer our coworkers a more flexible dining experience by providing four-course meals, including diet and vegetarian options.

Counseling and dietitian services: Our coworkers at the Arifiye campus benefit from our counseling and dietitian services by appointment.

Supporting Social Life

We hosted 2,400 people in the Factory Tour with Families event, which included various activities for the employees and their families to experience the production area and enjoy a picnic atmosphere with their children. Additionally, we gifted school supplies to the children of Otokar employees. As a donor to Koç University's Anatolian Scholarship Program, we added one more recipient to the scholarship students of Law, Electrical-Electronics, Mechanical, and Computer Engineering, in line with our mission of supporting equal opportunity in education. Throughout the year, Otokar employees came together in various club activities. With Koç Volunteers established as a centralized function in 2025, 45 Otokar employees actively participated in several social responsibility activities.

Remuneration System and Benefits

At Otokar, employee remuneration is based on performance. We apply fair and objective methods in remuneration to eliminate all kinds of bias. In determining remuneration policies, opinions and research of independent expert organizations are utilized. While continuously improving our remuneration and benefits policies with a transparent and competitive approach, we adhere to the principles specified in the Remuneration Policy for Otokar Board of Directors and Senior Executives in the remuneration of Board members and senior executives with administrative responsibilities in accordance with CMB regulations.

Prioritizing employee satisfaction, we launched the digital **VisiBen** application to combine all employee benefits in a single mobile portal that offers personalized access. This application enables the employees to access more than 65 benefits, including health insurance, company car, special occasion gifts, leave management, salary, and payroll.

SOCIAL RESPONSIBILITY INITIATIVES JOINED BY OUR EMPLOYEES IN 2025

- Animal Adoption and Shelter Visit
- Coastal Cleanup
- Career Coaching
- Career Days
- Mentoring Program for Young Women
- Supporting Education Project
- Book Sharing Movement
- April 23 Celebration in Hatay
- Ramadan Food Package Distribution in Iskenderun, Hatay
- Footwear Distribution in Hatay and Kahramanmaraş

OTOKAR'S EMPLOYEE BENEFITS

- 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 prescribed 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 employees on indefinite contracts

POTENTIAL TALENT MANAGEMENT

We adopt a talent management approach that aims to ensure that the right individual is placed in the right position, personal performance is measured and assessed accurately and objectively, and employees are equipped with the necessary professional knowledge and skills by planning their career paths accordingly. In line with the managing by objectives approach, we implement an OKR (Objectives and Key Results) system, which offers an agile, transparent, and results-oriented structure, in performance management. Our OKR approach aligns our employees' goals with Otokar's vision by disseminating our strategic priorities across the organization.

We address performance management as a holistic process beyond simply an evaluation tool and foster development, learning, and a culture of shared success. The employees use the OKRs determined at the beginning of the year to focus on measurable and tangible results at both individual and team levels. Additionally, the system can be updated throughout the year, allowing us to adapt to changing priorities. We encourage all employee within the performance system to set at least one development goal and we ensure that individual development contributes to corporate success.

The check-ins, conducted five times within the year, bring managers and their subordinates together in a structured environment to communicate openly about goals, expectations, and development areas. During these meetings, they exchange feedback, assess the needs, and explore solutions. This practice helps track performance targets and fosters continuous, quality communication between managers and their subordinates, driving team motivation to achieve goals and supporting a development culture.

In year-end performance reviews, we go over the results with the employees and provide development-focused feedback. In 2025, almost all of our employees received feedback based on their performance appraisals.

Starting next year, we plan to restructure our talent management approach and to combine performance management, potential talent management, succession planning, career plans, and development opportunities within an integrated system. Encompassing all office employees, this system will allow us to evaluate performance data and behavioral metrics indicating potential and to develop succession plans for critical roles. We create individual development plans for our employees included in the talent pool and we aim to support their development as successors who preserve the corporate memory and as leaders who will shape our future. We also support internal rotation and encourage our talent to assume different roles within the organization. Programs like the 1-Year Gift and Onboarding Kit serve to increase the loyalty of the employees with up to one year of experience at the company.

Training and Development Opportunities

At Otokar, our sustainable success is built on the foundation of our highly qualified human resource, whose development we continuously support. The knowledge, technological skills, and professional and behavioral competencies of our coworkers play a key role in maintaining our competitiveness in the domestic and international markets. Therefore, we aim to maximize our potential, develop innovative solutions, and further strengthen our position as an industry leader. Guided by this approach, we offer structured training and development programs to foster professional and personal growth. The Talent Management Meetings we hold at the beginning of each year provide an opportunity to identify our coworkers' development needs and create the necessary Individual Development Plans (IDPs). As a result, we align our employees' career goals with Otokar's strategic priorities and ensure that they contribute to our continued success.

According to the development areas we have identified, we assign classroom trainings, online trainings, seminars, and various development programs to the employees. In addition, we provide access to video training content on business, culture and arts, leadership, technology, health, and life via the Koç Academy training portal, which the employees can access anytime, anywhere. To enhance the competencies of our leaders, who directly impact the employee experience with their expertise, we hold leadership development programs in collaboration with Koç University.

A strong team of internal trainers is one of the key pillars of our development vision. Sharing their technical expertise, our internal trainers contribute to spreading know-how within the organization and strengthen our learning culture. Programs for enhancing our internal trainers' training design and delivery skills continue throughout the year, enabling us to consistently provide effective and understandable trainings to support learning.

In 2025, we allocated TL 28.8 million for training activities, creating a robust development infrastructure. We planned 290 group trainings on 120 different topics. In total, 55 group trainings, delivered by 32 internal trainers, were completed with a 95% participation rate. The internal trainings resulted in a success rate of 90%. We regularly measure and improve training performance based on employee feedback. Our Net Promoter Score (NPS) was measured at 9.4.

In 2025, 42 coworkers benefited from our leadership, coaching, and mentoring programs. We launched our Reverse Mentoring program as a pilot in 2026 to encourage intergenerational communication, understanding, and collaboration and to foster a culture of mutual learning. The program will evolve into a more extensive system within the year and take its place among Otokar's key development tools.

~ 97%
Rate of employees receiving feedback through performance appraisals in 2025

WE SHAPE EMPLOYEE DEVELOPMENT ROADMAPS BASED ON THE ASSESSMENTS AND PLANNING INTERVIEWS CONDUCTED DURING THE PERFORMANCE APPRAISAL PROCESS.

HUMAN RIGHTS AND FAIR WORK

We view the UN Global Compact, to which Koç Holding is a signatory, as an integral part of our activities and adhere to these principles across our operations and value chain. Guided by the Universal Declaration of Human Rights, we adopt a human rights approach of respecting all our stakeholders. Creating and maintaining a positive and professional work environment for our employees is a fundamental part of our corporate culture. 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 expect all our employees, managers, business partners, and suppliers to adhere to Otokar's Human Rights Policy. 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 peoples, women, ethnic, religious and linguistic minorities, children, disabled people, migrant workers and their families).

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 2025. 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 METRICS	2023	2024	2025
Human Rights Violations (incidents)	0	0	0
Unionized Employees (number)	3,413	2,822	2,748
Unionization Rate of Employees (%)	78.9	76.7	77.3
Unionization Rate of Field Workers (%)	99.9	99.9	99.9
Employees with Assignments in Labor Unions	21	25	25
Employees with Assignments in Employer Associations	1	1	1
Employees in Workplaces without OHS Committees or Equivalent Entities (Union Representatives, Labor Relations Committee, etc.).	0	0	0

Our 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

Otokar is a member of the SEDEX platform, which promotes compliance with international social compliance standards and responsible supply chain management. In October 2025, a social compliance audit was conducted at Otokar using the internationally recognized SMETA (SEDEX Members Ethical Trade Audit) methodology. During the audit process, the following were assessed in detail:

- Prevention of child labor and forced labor, working hours, wages and benefits, principles of discrimination and equality, and freedom of association under labor standards.
- Access to safe work environments for employees, risk assessments, emergency preparedness, and management of workplace accidents as part of occupational health and safety practices.
- Waste management, energy and resource use, monitoring environmental impacts and legal compliance as part of environmental management.
- Combating corruption, ethical violation mechanisms and transparency practices as part of business ethics.

The audit was supported by on-site observations, documentation reviews, and employee interviews, to ensure a holistic compliance assessment.

Otokar Human Rights Policy is available under the **Policies** section.

DIVERSITY, EQUITY AND INCLUSION

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, particularly in decision-making mechanisms, directly contributes to business performance.

We formed the voluntary Diversity, Equity and Inclusion Working Group - Spektrum - to create a diverse, equal and inclusive work environment, where human rights are respected, and to build a corporate culture on these principles.

Based on the materiality assessment conducted within the organization, Spektrum focused its activities on the topics of as gender equality, physical disability, and generational discrimination. As a result of these activities, we published a manifesto. Furthermore, all employees received training on this topic. A dedicated function was created within the mobile app for the employees to enter their opinions and suggestions. This will help us advance diversity, equity, and inclusion with the active contributions of our employees.

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.

GENDER DIVERSITY	2025
Female Employment Rate	7%
Newly Hired Female Interns	13%
Newly Hired, Recent Graduate Female Employees	37%
Female Employees Hired (incl. subsidiaries)	14%
Women's Representation on the Board (incl. subsidiaries)	38%
Female Director Rate	10%
Female Manager Rate	11%
Rate of Women in Managerial and Above Positions	13%
Rate of Female First-Level Managers	6%
Female Employment Rate - subcontractors	34%

AGE DIVERSITY (incl. subsidiaries)		2025
Under 30		**35.64%**
	Female	2.05%
	Male	33.59%
30-50		**61.44%**
	Female	5%
	Male	56.44%
Over 50		**2.92%**
	Female	0.36%
	Male	2.57%

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 drafted and implemented the Board of Directors Diversity Policy. We also formed an internal committee dedicated to diversity, equity, and inclusion. This committee continued to carry out awareness and information activities throughout 2025.

Remuneration is another area where we promote gender equality. Therefore, we follow an **Equal Pay for Equal Work** principle 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 objective criteria such as individual performance, tenure at the company, and the qualifications required for the job.

As of year-end 2025, the number of female employees at Otokar stood at 271. Currently, women constitute 20% of our Board of Directors and 37.5% of our Senior Management team. Our goal is to increase women's representation on the Board of Directors to 25% by the end of 2026.

PARENTAL LEAVES	2025
Employees Eligible for Parental Leave	**46**
Female	16
Male	30
Employees Returning to Work After Parental Leave	**38**
Female	10
Male	28

MOTHER-CHILD 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.

OCCUPATIONAL HEALTH AND SAFETY

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 all our operations.

We address occupational health and safety in accordance with the **ISO 45001 Standard** and **Otokar Occupational Health and Safety Policy.** We encourage our employees to participate in occupational health and safety processes through the OHS Committees within the organization, helping to mitigate the risks and enhance performance. During the regular OHS Committee Meetings, injury metrics are evaluated, accident causes are analyzed and the measures taken are shared with relevant stakeholders. The Otokar OHS system, which has undergone and passed internal and external audits as of year-end 2025, covers all Otokar employees, subcontractor employees, and our permanent suppliers.

To create a healthy and safe work environment, we continuously follow the developments related to occupational health and safety, and diligently comply with applicable laws and regulations, fulfilling our contractual obligations. We identify the OHS risks of our operations, analyze the causes, context and risks, and take the necessary precautions to address potential workplace accidents and occupational diseases and eliminate hazards. We also develop opportunities and preventive approaches to continuously enhance relevant processes.

We provide the necessary training and information to ensure that our employees, employee representatives, and anyone else who may be on site are aware of their individual and professional responsibilities, and we create an environment where consultation and participation is encouraged. To raise awareness

OCCUPATIONAL HEALTH AND SAFETY METRICS	2023	2024	2025
Employees			
Site Audits	185	605	1,041
Corrective Actions	2,056	2,605	843
OHS Committee Meetings	12	12	12
Lost Day Injury Rate	20.5	5.9	3.4
Lost Day Rate	9.3	7.8	4.5
Fatal Accidents	0	0	0
Occupational Diseases	0	0	0
Subcontractors			
OHS Committee Meetings	6	6	6
Fatal Accidents	0	0	0
Occupational Diseases	0	0	0

among our office employees and field workers, we regularly communicate informative content and send out emails on OHS-related occasions.

In all our operations, we comply with the requirements of the OHS Management System, set targets and design management programs using the latest technologies to continuously improve this system and its performance, and regularly monitor the results. We commit to work toward the zero accident target and to provide all necessary resources.

In the event of a workplace accident, we conduct an investigation in accordance with the Incident Investigation Procedure, with the participation of relevant area managers, OHS professionals, and other units that can contribute. We communicate the actions taken both via email and through our internal application, ISGPRO. We set and monitor targets for accident data, site audits, unsafe situation and behavior reports, corrective action closure rates, OHS culture activities, and ergonomics, by ensuring alignment with OKRs and key performance indicators.

OHS Trainings

In 2025, we carried out comprehensive activities to strengthen the occupational safety culture. We held awareness-raising events throughout the Occupational Health and Safety Week. We increased participation and engagement in our OHS Committee Meetings by supplementing them with workshops. During the year, we provided a total of 32,171 person-hours of OHS training.

A HEALTHIER WORKPLACE

We continue to provide counseling and dietitian services to support physical and mental well-being. In 2025, 409 employees benefited from a total of 1,170 hours of dietitian services and 115 employees from a total of 688 hours of counseling services. We also organized events and activities to raise awareness about conditions such as breast cancer and leukemia. Furthermore, the newly-formed Ergonomics Team conducted ergonomics risk analyses in the field and the offices.

OHS Trainings	2023	2024	2025
Employees			
Total OHS training time (person*hours)	37,243	23,028	32,171
Total no. of employees taking OHS training	3,713	4,070	3,758*
Average OHS training hours per employee	10.03	5.65	8.56
Subcontractors			
Total OHS training hours for the subcontractors	152.5	244.5	17,011

**The figure is higher than the total employee count it includes individuals who started and left the company during the year.*

Otokar Occupational Health and Safety Policy is available under the **Policies** section.

FOR THE PLANET

We follow an Environmental Policy that shapes our environmental responsibilities and guides our related activities.

1,966 person-hours

Total Environmental Management Training for the Employees

12%

Reduction in Total Energy Consumption

9%

Reduction in Scope 1 and Scope 2 Emissions

99%

Economic Contribution Through Waste Recovery

157 thousand m³

Recovery Through Circularity and Rainwater Harvesting

ENVIRONMENTAL MANAGEMENT APPROACH

Managing environmental impacts responsibly forms the basis of sustainable development. At Otokar, we adopt this approach and prioritize measuring and reducing our environmental impact, utilizing resources efficiently, and contributing to the preservation of a livable environment for future generations.

At Otokar, we design and manufacture environmentally friendly products and services tailored to the needs and expectations of our customers. Our products include buses and light trucks for the automotive industry, and tactical wheeled and tracked vehicles and turret systems for the defense industry. We define the limits and applicability of our systems in detail according to the ISO 9001:2015, ISO 14001:2015, ISO 14064-1:2018, and AQAP 2110:2016 system certifications. 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.

With a strong sense of environmental responsibility, we regularly assess the potential impacts of our operations and remain committed to improving our environmental performance. We aim to comply with applicable legislation, reduce our emissions, increase energy and resource efficiency, minimize waste generation, and spread environmental awareness across the organization as a company culture.

The Environmental Management Unit, established pursuant to Regulation on Environmental Management Units and Environmental Consultancy Firms under the Environmental Law No. 2872, and authorized by the Ministry of Environment, Urbanization and Climate Change, systematically monitors and contains our environmental impact.

The Board of Directors determines our environmental management strategies and monitors the relevant activities. The General Manager is responsible for the implementation of corporate policies and strategies. The Environmental and Sustainability Leadership, under the Corporate Communications and Sustainability Directorate, advances our environmental management practices.

The environmental impact of our operations is subject to multi-dimensional audits. In addition to our internal audit system, annual Koç Holding Audit Group audits are also conducted. Furthermore, 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. We report our performance related to greenhouse gas emissions, VOC emissions, wastewater, hazardous and non-hazardous waste to the Ministry.

We assess and monitor environmental impacts as part of our enterprise risk management. We analyze identified risks comprehensively and record their environmental impacts in the Environmental Impact Register. 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 individual performance appraisals and remuneration system. We review and monitor our employees' environmental performance using the OKR methodology and report the results of these evaluations to the General Manager and the Board of Directors.

Throughout the product lifecycle from development to delivery, we support sustainable practices by raising environmental awareness among the individuals and organizations that directly and indirectly engage with us, and we fulfill our environmental responsibilities toward our local and regional neighbors. Focusing on awareness and training, we provided our employees with **more than 1,000 person-hours of environmental training.**

IN 2025

We delivered **1,966 person-hours of environmental training** to our employees.

We completed a SEDEX SMETA audit.

More information is provided under the **Human Rights and Fair Work** section of this report.

ACCORDING TO OTOKAR ENVIRONMENTAL POLICY:

- We monitor environmental publications and comply with applicable laws and regulations.
- We strive to leave a cleaner and healthier environment for future generations and act with sensitivity to climate change.
- Guided by our environmental management system and the principle of preventing pollution at the source, we monitor and contain environmental pollution through mitigation measures.
- We provide the necessary information and training to the supply industries and relevant organizations in line with our environmental goals and objectives.
- We shape environmental activities in a manner to support other policy provisions.

Otokar Environment Policy is available under the **Policies** section.

LOW-CARBON ECONOMY

Transitioning to Low-Carbon Economy and Clean Technologies

Approach to combating climate change: In our efforts to combat 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: We regularly evaluate our sustainable products, services, and strategies, which facilitate the transition to a low-carbon economy, on the basis of risks and opportunities. The main strategy that we follow for combating 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 according to the ISO14064-1 standard. In 2025, we calculated and verified our Scope 1, Scope 2, and Scope 3 greenhouse gas emissions in accordance with the ISO 14064-1:2006 Standard, the GHG Protocol, and IPCC 2006 Tier 1 methods. We continue to reduce our Scope 1, Scope 2, and Scope 3 emissions and monitor the results of these efforts annually.

In 2025, our total emissions amounted to 5,781,940 tons CO_2e. Despite the increase in our production volume, our improvement efforts resulted in a year-on-year reduction of 6% in our Scope 1 emissions and 11% in Scope 2 emissions. We calculated our greenhouse gas intensity for 2025 as 0.11. We focus on R&D activities for

Greenhouse Gas Emissions (tons CO_2e)	2023	2024	2025
Scope 1 (Direct) GHG Emissions	16,046	14,781	13,897
Scope 2 (Indirect) GHG Emissions (Market-based)	12,722	12,740	11,305
Scope 3 (Indirect) GHG Emissions	4,999,262	4,929,872	5,756,738
Total GHG Emissions	5,028,030	4,957,393	5,781,940

SCOPE 1 EMISSIONS
Scope 1 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.

To reduce our **Scope 1** emissions, we focus on key areas such as energy efficiency and electrification.

SCOPE 2 EMISSIONS
Scope 2 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.

To reduce our **Scope 2** emissions, we invest in renewable energy and energy savings projects.

SCOPE 3 EMISSIONS
Scope 3 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.

We focus on transforming our product portfolio to reduce emissions from the use of products that account for the vast majority of **Scope 3** emissions.

carbon emission reduction and adaptation projects and allocate investment budgets.

In line with our emission reduction targets, we implement various projects to increase energy efficiency in our operations. More information on the energy efficiency projects as part of our efforts to optimize energy consumption, use resources more efficiently, and reduce our carbon footprint is provided under the **Energy Management** section.

Fuel Economy and Usage Emissions

Alternative fuel vehicles: Carbon emissions are among the key factors negatively impacting climate change. Regularly measuring, managing, and mitigating emissions generated by company operations is crucial for developing sustainable business models.

Emissions released from vehicles can have devastating impact on climate change. Therefore, developing technologies to limit the emissions takes up an important place on our agenda. To reduce the greenhouse emissions of our products, we work on alternative fuel vehicles, electric vehicles and vehicles with high fuel efficiency.

In the European Union, the share of alternative fuel vehicles in newly registered buses reached 30% in 2025. 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. In 2024, we closed **the first sale of our electric truck, e-Atlas,** in the domestic market. We also received **high-volume orders for electric buses, primarily from the Italian market.**

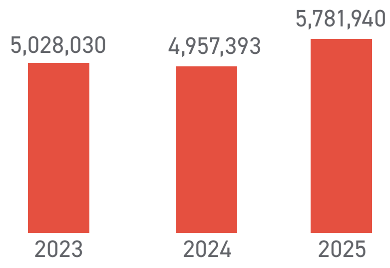
Our efforts to expand our zero-emission vehicle family are ongoing. As investments in vehicle technologies with reduced emissions continue, the engine systems of the current vehicle portfolio are also being upgraded for lower emission values. Our zero-emission buses are ready to meet the needs of all cities, particularly in Europe, that are undergoing transformation.
Our goal is to expand our alternative fuel vehicle family and to offer an entire product range of low- and zero emission vehicles to these markets. We aim to **offer at least one alternative fuel version in all passenger transportation segments by 2028.** We are also actively working on areas such as battery technologies and the use of lightweight materials in product electrification and the transition to alternative fuel vehicles. We added the **e-Territo** electric short-distance bus to our product family and sold our first bus to France last year.

Zero-emission technologies, such as hydrogen fuel cells, also hold a significant place in our product development strategy. At the end of 2023, we developed our first hydrogen fuel cell bus. As of this year, we continue to contribute to Koç University's Hydrogen Technologies Center (KUHyTech) that was opened in early 2024 to advance the production, storage, transportation, and commercialization of green hydrogen.

ALTERNATIVE FUEL VEHICLES

- e-Centro
- Kent CNG
- e-Kent
- Kent Hydrogen
- Kent Hybrid
- Kent Articulated CNG
- e-Kent Articulated
- e-Territo

Total Emissions (tons CO_2e)



ENERGY MANAGEMENT

Energy is a critical resource for the continuity and efficiency of our operations and its consumption constitutes a significant portion of our environmental impact. Accordingly, regularly measuring and effectively managing our energy consumption, improving resource efficiency, and contributing to climate action are key focuses of our sustainability approach. In all our operations, we aim to implement and develop a proactive energy management system based on sustainable development. We also place great emphasis on energy management in connection with our goal of reducing emissions. We established the ISO 50001 Energy Management System and completed the certification process.

Energy Efficiency in Production

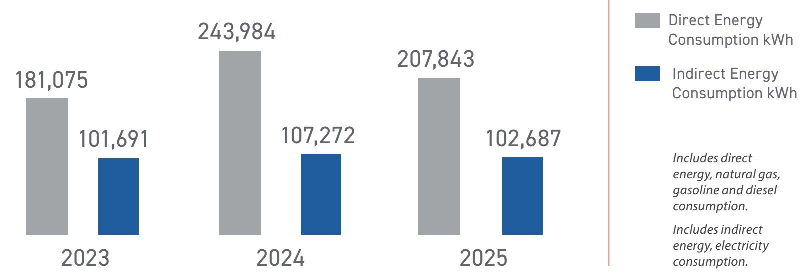
We implement various energy efficiency projects to improve efficiency in energy consumption and to reduce greenhouse gas emissions. In 2024, we achieved energy savings through 10 projects at our Arifiye plant. This year, we also carried out several projects in line with our responsible energy consumption approach. At our Arifiye plant in Sakarya, **we implemented 35 energy efficiency projects in five focus areas.** These projects delivered approximately 3,032,020 kWh of energy savings plus **TL 9,927,000** in financial gains.

Despite an increase in our production volume in 2025, the improvement and efficiency projects

35

Number of energy efficiency projects implemented at the Arifiye plant

Energy Consumption by Years



AUXILIARY FACILITIES AIR COMPRESSOR REPLACEMENT AND REDUCTION OF OPERATING PRESSURES PROJECT

To improve energy efficiency in our compressed air systems, we have replaced the existing air compressors at our facility with newer, more efficient models. Through equipment modernization, we reduced the system pressure from 7.5 bars to 7 bars by re-analyzing the operating parameters of the compressed air system.

Key Benefits

- Optimizing energy consumption
- Annual electricity savings of 490 MWh
- Financial gain of TL 1,636 thousand
- Contributing to reducing carbon emissions by using more efficient equipment

AUTOMATION OF HEATING AND LIGHTING IN THE COMMERCIAL VEHICLE FINAL PROCESSING BUILDING

We integrated the heating appliances and interior lighting in the commercial vehicle processing building with an internal automation system for automated operation.

Key Benefits

- Annual electricity savings of 50.4 MWh
- Natural gas savings of 11,775 m^3
- Financial savings of TL 349,000

ENERGY SAVING ACTIVITIES IN PUMPS AND MOTORS IN THE CATAPHORESIS PLANT

To improve energy efficiency in the cataphoresis plant, we analyzed the operating conditions of the process pools in detail and identified the cycle coefficients during and out of production. Based on our calculations, we reduced the frequency of the pumps that were constantly operating at 50 Hz. We integrated the 37 kW boiler circulation pump with a temperature-dependent PLC-controlled system instead of its existing fixed operating mode. This allowed the pump to activate only at the required temperature levels, optimizing energy consumption. Through these optimization efforts, we improved the energy usage of the equipment in the cataphoresis plant.

Key Benefits

- Optimizing energy consumption
- Annual electricity savings of 150 MWh
- Annual financial gains of TL 563 thousand

Otokar Energy Policy is available under the **Policies** section.

resulted in reducing our direct energy consumption by 15%, indirect energy consumption by 4%, and total energy consumption by 12% year on year.

In 2025, we carried out various successful activities and received awards for our energy efficiency efforts. We won third place in the Energy Category at the Ministry of Industry and Technology's Productivity Project Awards. We also completed the ISO 50001:2018 Energy Management System audit and the interim certification review process.

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.

In 2025, we consumed 963 MWh of energy from renewable sources. We obtained the Environmental Impact Assessment (EIA) report and completed the zoning approval for an 11.36 MWp solar power plant (SPP) in Malatya, and we signed connection agreements. We plan to complete the installation work in June 2026. While the ratio of our renewable energy consumption to our total electricity consumption is measured at 3% in 2025, we will increase this ratio ever year as a reflection of our commitment to sustainable energy.

IN 2025, WE WON THIRD PLACE IN THE "ENERGY" CATEGORY OF THE MINISTRY OF INDUSTRY AND TECHNOLOGY'S EFFICIENCY PROJECT AWARDS. IN ADDITION, THE ISO 50001:2018 ENERGY MANAGEMENT SYSTEM AUDIT WAS SUCCESSFULLY COMPLETED.

IN LINE WITH OUR ENERGY POLICY, WE ARE COMMITTED TO:

- Using energy and natural resources efficiently in all our activities.
- Implementing environment- and energy-friendly technologies in new projects and equipment purchases.
- Saving energy through efficiency improvements in existing processes and systems.
- Reducing natural resource consumption.

PRE-PRODUCTION BUILDING 800 KWE ROOFTOP SPP OPERATION

To increase the share of renewable energy in our energy consumption and reduce our carbon footprint, we installed a solar power plant with an installed capacity of 800 kWe on the roof of our pre-production building. With this system, we reduced the energy from the grid by directly meeting a portion of the building's electricity needs from renewable energy sources. Based on 11-month production data for 2025, we generated a total of 963 MWh of electricity.

Key Benefits

- Higher renewable energy generation
- Contributing to sustainability and energy management targets
- TL 3,846,000 TL in economic gains and energy cost advantage

CIRCULAR ECONOMY

WE CONDUCTED THREE LIFE CYCLE ASSESSMENTS IN 2023, 2024, AND 2025 TO IMPROVE THE ENVIRONMENTAL PERFORMANCE OF OUR CURRENT AND NEW PRODUCTS.

Following our circular economy approach, we place utmost emphasis on the efficient use of natural resources and aim to minimize their consumption in our operations.

Life Cycle Assessments (LCAs)
We position the assessment of environmental impacts as a key focus in the design of our products. This process goes beyond simply adopting this approach in specific parts of the production and products. We focus on evaluating the impacts produced throughout the entire lifecycle of our products.

Based on our assessments, we continue to improve the environmental impact qualities of existing and new products. Accordingly, we completed Life Cycle Assessments (LCAs) on three products in 2024 and two vehicle batteries in 2025. Work is ongoing for three EPD (Environmental Product Declaration) certifications.

WASTE MANAGEMENT

Waste management is a core element of our sustainability approach since it contributes to the conservation of natural resources and the circular economy by reducing environmental impact. We consider it a key responsibility to reduce waste generated at the source, improve reuse and recycling practices, and ensure efficient waste management. In parallel, we prioritize environmentally sound disposal methods such as preventing waste generation, improving sorting processes, and strengthening recovery processes. We aim to develop a more sustainable production model by increasing resource efficiency while reducing our environmental impact.

Our waste mainly originates from our production processes and activities in the paint shops. We also generate packaging waste and waste from support teams (wastewater, maintenance) during our logistics operations. We classify this waste as hazardous and non-hazardous. Hazardous waste includes chemicals and waste contaminated with chemicals. Non-hazardous waste refers to waste such as packaging and process-related metal parts that have not been exposed to chemical contamination.

In line with our environmental policy and zero-waste target, we aim to minimize waste generation in production and to maximize waste recovery and reuse. We manage all hazardous and non-hazardous waste generated at the plant 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.

We divert all electronic waste generated during production to licensed recycling companies. We also designated areas for the employees to drop their electronic waste from their homes. All processes have been completed for planting trees with the proceeds from recycling these wastes. In 2025, our total waste volume amounted to 8,517 tons, including 725.24 tons of hazardous waste and 7,790.88 tons of non-hazardous waste. Despite a 5% increase in our production volume, our total waste volume remained similar to the previous year, rising by only 1%. Through effective waste sorting and recovery, we contributed to the circular economy by recycling 99.8% of the waste generated. In 2025, there were no significant leaks or spills at our facility.

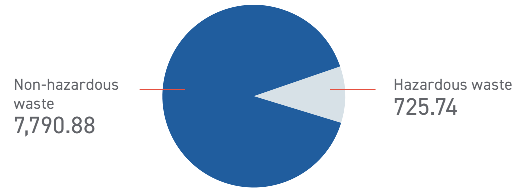
The cafeteria's organic waste is processes in a composting machine. The compost produced is used for landscaping at the facility and also shared with employees who wish to use it for their plants.

Managing Waste Gases

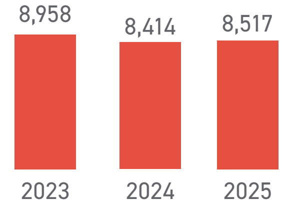
Gases Damaging the Ozone Layer: Fluorinated greenhouse gases are used in AC units (R-134A) of the vehicles and during facility maintenance (R-404a, R-407a, R-410a or R-22 depending on the type of cooling device).

Other Harmful Gases: The Regenerative Thermal Oxidizer (RTO) system is the key measure employed to reduce non-methane volatile organic compounds (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.

Waste Categories in 2025 (metric tons)



Total Waste (metric tons)



ZERO WASTE APPROACH

- Preventing Waste Generation
- Reduction at the Source
- Reuse Processes
- Collecting and Sorting at the Source
- Recycling and Recovery Practices
- Managing Hazardous Waste
- Employee Awareness and Training Processes
- Monitoring, Measuring, and Tracking Performance
- Improvement Activities

WASTE REDUCTION ACTIVITIES

- Work is ongoing for packaging optimization and reusable packaging in the supply chain.
- Continuous training is provided to promote the zero waste vision. In 2025, we delivered 669 person-hours of zero-waste training to 806 employees.
- We have eliminated single-use plastics since 2023.
- To reduce process-related waste generation, we introduce improvements from design to production to prevent metal waste generation.

OTHER HARMFUL GAS METRICS (ton)	2023	2024	2025
Sulfur oxides [SO_x/SO_2]	0.102	0.101	0.46
Nitrogen oxides [NO_x/NO_2]	64.99	64.483	67.08
Non-methane volatile organic compounds [NMVOC]	23.891	23.703	43.95

WATER STEWARDSHIP

Water is essential for conserving ecosystems and sustaining societal well-being. Various factors such as rising temperatures, climate risks, and industrialization require water resources to be managed efficiently and responsibly. At Otokar, we place great emphasis on reducing the impact of our operations on water resources, implementing water-efficient practices in our processes, and conserving local water ecosystems. For effective water management, we regularly measure and monitor our consumption and strive to implement efficiency improvements and to expand treatment and reuse practices.

Our production processes involve intensive water use, particularly 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 and take corrective actions for water-intensive processes.

By enhancing our rainwater harvesting practices, we increased rainwater utilization rate year over year and reduced our groundwater withdrawal by 30%. We continued using recovered water this year for more efficient use of water resources. Despite a 5% increase in production volume, our efficiency efforts resulted in a 7% decrease in our total water consumption and improved water stewardship efforts in our operations.

Wastewater Management

We treat wastewater from production in our industrial wastewater treatment facility in accordance with Otokar Environmental Policy, environmental management systems and applicable regulations, and then deliver 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 canal for treatment.

WATER CONSUMPTION (ton)	2023	2024	2025
Total Water Consumption	94,564	93,765	87,032

RAINWATER HARVESTING PROJECT

The efforts to improve rainwater harvesting started in 2022 with the aim of using more treated water in production. Accordingly, the roofs of two separate buildings were retrofitted to enable rainwater collection. While rainwater harvesting continued using the rainwater collection system, in 2024 we also completed the investment in an ionized water recovery system, enabling us to recycle deionized (distilled) process water from our cataphoresis plant and ensuring water circularity. In 2024, nearly 160 thousand m^3 of water was reused in production through treatment and recovery processes, and 3 thousand m^3 of water was saved through efficiency projects.

Key Benefits

- Widespread adoption of recovery and reuse practices
- 157,000 m^3 of water recovery
- 480 tons of water savings through rainwater harvesting from the rooftop of the supplier building
- Sustainable use of water resources is supported in collaboration with stakeholders

FOR COMMUNITIES

Guided by the motto of the late Vehbi Koç, the founder of Koç Holding, who said, "I exist if my country exists," we strive to support the development and welfare of our communities and to create social impact.

TL 29+ million

Donations

106 students

Basic Tightening Techniques Training in the 2024-2025 Academic Year

26 students

1E Training and Certification in Electric Vehicle Maintenance and Safety.

190 students

OHS in the Automotive Industry Training by Internal Occupational Safety Specialists

COMMUNITY ENGAGEMENT

Guided by the motto of the late Vehbi Koç, the founder of Koç Holding, who said, "I exist if my country exists," we adopt a responsible corporate citizenship approach and contribute to the social, environmental and economic development of society in line with the UN Sustainable Development Goals. All the activities we carry 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 adhere to the highest ethical standards in our operations and adopt the 10 principles of the UN Global Compact, to which Koç Holding is a signatory.

The Corporate Communications and Sustainability Directorate 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.

Koç Volunteers: In 2025, Koç Volunteers was established as a centralized function and 45 Otokar employees actively participated in events such as Animal Adoption and Shelter Visit, Coastal Cleanup, Career Coaching, Career Days, Mentoring Program for Young Women, Supporting Education Project, Book Exchange Movement, April 23 Hatay Event, Ramadan Package Distribution in İskenderun, Hatay, and Shoe Distribution in Hatay and Kahramanmaraş.

Donation and Sponsorship Approach

We make donations and extend sponsorships based on specific criteria: conformity 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; compliance 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; alignment with the principles in the donation and Sponsorship Policy and the Koç Group and Otokar Code of Ethics, without any conflicts with Otokar's values or legitimate interests; and documentation in accordance with the legislation.

Donations: The donations made to foundations and associations in 2025 per the company's Donation and Sponsorship Policy amounted to TL 29,948,801 (corresponding to TL 35,189,865 based on the purchasing power on December 31, 2025). Of this nominal amount, TL 5,100,984 to Koç University, TL 950,000 to Vehbi Koç Foundation, and the remainder to various other institutions and organizations. These other donations are each lower than TL 700,000 and are not materially significant for the investors. The upper limit for donations in 2026 will be determined by the General Assembly.

CRITICAL CONSIDERATIONS IN DONATIONS AND SPONSORSHIPS

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.

COMMUNITY INVESTMENT CRITERIA

- 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 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.

Otokar Community Investment Policy is available under the **Policies** section.

Supporting Students' Development

Contributing to social advancement forms a key part of our corporate responsibility efforts, which we shape around projects that support the development of young people and students. Promoting equal opportunity in education, creating environments where students can develop their knowledge and skills, and contributing to the training of skilled individuals for the future are among our key priorities. Through social responsibility initiatives, we aim to support the academic, personal, and professional development of young people.

A Stronger Future with Otokar: We launched "A Stronger Future with Otokar" project in 2024 to support the professional development and STEM (Science, Technology, Engineering, Math) skills of young people. Partnering with SATSO MAT MTAL (Sakarya Chamber of Commerce and Industry Motor Vehicle Technology Vocational and Technical Anatolian High School), we reached 550 students already in the first year of the project, creating significant value. The project allows us to lead in training a highly qualified workforce equipped with electric vehicle technology expertise. We started the project with the establishment of an Electric Vehicles Workshop, one of the first electric vehicle training centers in Türkiye, and offered the students internship and scholarship opportunities and industry-specific education. After granting scholarships to 12 students last year, we plan to extend this support to 15 students this year. We prioritize female students in scholarships to encourage their interest in technical fields. As part of the project, 11th-grade students attend applied courses at Otokar facilities and have access to the latest technologies in the workshop.

In the 2024-2025 academic year, 106 students received Basic Tightening Techniques training, and 26 students earned certification in electric vehicle maintenance and safety after 1E Training. Additionally, Otokar's occupational safety specialists delivered OHS in the Automotive Industry training to 190 students.

The project was recognized in the Future of Work category at the Shared Future Awards presented by Turkish Confederation of Employer Associations (TİSK).

Environmental Initiatives

Environment is a key topic in our partnerships and collaborations to create greater 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 Group companies for wider dissemination. Otokar is also a member of the Environmental Working Groups in Automotive Manufacturers Association (OSD) and Turkish Industry and Business Association (TUSIAD). Istanbul Chamber of Industry (ISO) and TUSIAD 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. We are also one of the first automotive companies to operate with ISO 14001 certification.

KEY BENEFITS OF A STRONGER FUTURE WITH OTOKAR PROJECT

- Contributing to the development of young talent
- Supporting the goal of equal opportunity in education
- Delivering multi-faceted training and development programs on diverse topics
- Offering students internship opportunities, scholarships, and industry-specific training
- Training workforce specialized in electric vehicle technologies

In 2025, we engaged with

45 interns

Otokar Donation and Sponsorship Policy is available under the **Policies** section.

ANNEXES

SASB INDUSTRY METRICS

Topic	Metric	Category	Unit of Measure	Response
Labor Relations	Percentage of active workforce covered under collective bargaining agreements	Quantitative	Percentage (%)	77.3
	(1) Number and (2) duration of strikes and lockouts	Quantitative	Number, Days	0
Materials Efficiency & Recycling	Amount of total waste from manufacturing, percentage recycled	Quantitative	Percentage (%)	99.6%
	Weight of end-of-life material recovered, percentage recycled	Quantitative	Percentage (%)	93%-95%*
	Average recyclability of vehicles sold, by weight	Quantitative	Percentage (%) by sales-weighted metric tons (t)	93%-95%*

Activity Metric	Category	Unit of Measure	Response
Number of vehicles manufactured	Quantitative	Number	5,660
Number of vehicles sold	Quantitative	Number	7,474

**Varies by product.*

GRI CONTENT INDEX

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
Statement of Use: Otokar Otomotiv ve Savunma Sanayi A.Ş. has reported in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025. **GRI 1 Standard:** GRI 1: Foundation 2021 **GRI 1 Sector Standard:** N/A			
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021	2-1 Organizational details	9-10, 121	
	2-2 Entities included in the organization's sustainability reporting	3	
	2-3 Reporting period, frequency and contact point	3, 121	
	2-4 Restatements of information	3	
	2-5 External assurance	3, 117-120	
	2-6 Activities, value chain and other business relationships	9-10, 24-25	
	2-7 Employees	66-70	
	2-8 Workers who are not employees	66, 72, 74-75, 99, 103, 105	
	2-9 Governance structure and composition	34-42	
	2-10 Nomination and selection of the highest governance body	36	
	2-11 Chair of the highest governance body	34-36	
	2-12 Role of the highest governance body in overseeing the management of impacts	20	
	2-13 Delegation of responsibility of managing impacts	20	
	2-14 Role of the highest governance body in sustainability reporting	20	

GRI Standard	Disclosure	Page/Link/Direct Answer	Omissions
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	39	
	2-16 Communication of critical concerns	38	
	2-17 Collective knowledge of the highest governance body	37	
	2-18 Evaluation of the performance of the highest governance body	20	
	2-19 Remuneration policies	38-39, 69	
	2-20 Process to determine remuneration	38-39, 69	
	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.
	2-22 Statement on sustainable development strategy	4-5	
	2-23 Policy commitments	40	
	2-24 Embedding policy commitments	40	
	2-25 Processes to remediate negative impacts	46	
	2-26 Mechanism for seeking advice and raising concerns	46	
	2-27 Compliance with laws and regulations	78, 106	
	2-28 Membership associations	28	
	2-29 Approach to stakeholder engagement	21-23	
	2-30 Collective bargaining agreements	71	

GRI Standard	Disclosure	Page/Link/Direct Answer	Omissions
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	19	
	3-2 List of material topics	19	
Sustainable Growth			
GRI 3: Material Topics 2021	3-3 Management of material topics	51-52	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	14, 53, 88	
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 2025 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 the Board members, the General Manager and Assistant General Managers. All of our senior executives are Turkish citizens.	
Contribution to Local Economy			
GRI 3: Material Topics 2021	3-3 Management of material topics	53	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	53	
	203-2 Significant indirect economic impacts	53	
GRI 207: Tax 2019	207-1 Approach to tax	52	
	207-2 Tax governance, control, and risk management	52	
	207-3 Stakeholder engagement and management of concerns related to tax	52	
Corporate Reputation			
GRI 3: Material Topics 2021	3-3 Management of material topics	48	

GRI Standard	Disclosure	Page/Link/Direct Answer	Omissions
Product and Service Responsibility			
GRI 3: Material Topics 2021	3-3 Management of material topics	56-60	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	56-60	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	56	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	56-60	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2025, no substantiated complaints received from customers or regulatory authorities regarding breaches of customer privacy or losses of customer data.	
R&D and Innovation			
GRI 3: Material Topics 2021	3-3 Management of material topics	61-63	
Business Ethics			
GRI 3: Material Topics 2021	3-3 Management of material topics	46	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	46	
	205-2 Communication and training about anti-corruption policies and procedures	In 2025, we delivered 72 person-hours of anti-corruption and anti-bribery training.	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	53	
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: 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	

GRI Standard	Disclosure	Page/Link/Direct Answer	Omissions
Employee Experience			
GRI 3: Material Topics 2021	3-3 Management of material topics	68	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	101-102	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	69	
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	69	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	74-75	
	403-2 Hazard identification, risk assessment, and incident investigation	74-75	
	403-3 Occupational health services	74-75	
	403-4 Worker participation, consultation, and communication on occupational health and safety	74-75	
	403-5 Worker training on occupational health and safety	74-75, 105	
	403-6 Promotion of worker health	74-75	
	403-8 Workers covered by an occupational health and safety management system	74-75	
	403-9 Work-related injuries	74-75, 105	
	403-10 Work-related ill health	74-75	
Managing Potential Employees			
GRI 3: Material Topics 2021	3-3 Management of material topics	70	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	70, 104	
	404-2 Programs for upgrading employee skills and transition assistance programs	There is no transition support program in place.	
	404-3 Percentage of employees receiving regular performance and career development reviews	70, 104	

GRI Standard	Disclosure	Page/Link/Direct Answer	Omissions
Human Rights and Fair Work			
GRI 3: Material Topics 2021	3-3 Management of material topics	71	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incident of discrimination occurred within the reporting period.	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	73	
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 significant risk for incidents of child labor.	
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 significant risk for incidents of forced or compulsory labor.	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	72, 101-102	
	401-3 Parental leave	73, 104	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	36-37	
		73	
Low-Carbon Economy			
GRI 3: Material Topics 2021	3-3 Management of material topics	79	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	79, 107	
	305-2 Energy indirect (Scope 2) GHG emissions	79, 107	
	305-3 Other indirect (Scope 3) GHG emissions	79, 107	
	305-4 GHG emissions intensity	79, 107	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	81-82, 106-107	
	302-2 Energy consumption outside of the organization	81-82, 106-107	
	302-3 Energy intensity	81-82, 106-107	
	302-4 Reduction of energy consumption	81-82, 106-107	

GRI Standard	Disclosure	Page/Link/Direct Answer	Omissions
Circular Economy			
GRI 3: Material Topics 2021	3-3 Management of material topics	83	
Waste Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	84	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	84, 108	
	306-2 Management of significant waste-related impacts	84, 108	
	306-3 Waste generated	84, 108	
	306-5 Waste directed to disposal	84, 108	
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	84, 107	
Water Stewardship			
GRI 3: Material Topics 2021	3-3 Management of material topics	85	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	85, 108	
	303-2 Management of water discharge-related impacts	85, 108	
	303-3 Water withdrawal	85, 108	
	303-4 Water discharge	85, 108	
	303-5 Water consumption	85, 108	
Community Engagement			
GRI 3: Material Topics 2021	3-3 Management of material topics	88	
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 are made for political purposes.	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	88	

SOCIAL PERFORMANCE INDICATORS

Employee Figures*

Metric	Unit	2023	2024	2025
Total Number of Employees **	#	4,393	3,772	3,659 ✓
Female	#	239	240	271 ✓
Male	#	4,154	3,532	3,388 ✓
Total Number of Office Employees	#	980	900	903
Female	#	184	183	203
Male	#	796	717	700
Total Number of Field Employees	#	3,413	2,872	2,756
Female	#	55	57	68
Male	#	3,358	2,815	2,688
Number of Subcontractor Employees	#	934	377	380 ✓
Female	#	105	124	131 ✓
Male	#	829	253	249 ✓
Number of Disabled Employees	#	131	119	116 ✓
Female	#	17	17	17 ✓
Male	#	114	102	99 ✓

** Employees based abroad are included.*
*** There were no part-time employees in 2025. The figure refers to full-time employees.*

Employees by Age Groups

Metric	Unit	2023	2024	2025
Under 30	#	1,945	1,526	1,304 ✓
Female	#	92	77	75 ✓
Male	#	1,853	1,449	1,229 ✓
Between 30-50	#	2,305	2,150	2,248 ✓
Female	#	510	150	183 ✓
Male	#	1,795	2,000	2,065 ✓
Over 50	#	143	96	107 ✓
Female	#	8	13	13 ✓
Male	#	135	83	94 ✓

✓ *Refers to data covered within the scope of limited assurance.*

Employees by Contract Type

Metric	Unit	2023	2024	2025
Total Employees on Indefinite Contracts	#	3,540	3,707	3,633 ✓
Female	#	208	236	265 ✓
Male	#	3,332	3,471	3,368 ✓
Total Employees on Term Contracts	#	813	65	26 ✓
Female	#	31	4	6 ✓
Male	#	782	61	20 ✓

Employees by Category

Metric	Unit	2023	2024	2025
Total Employees Paid in Monthly Salaries	#	NA	900	903 ✓
Female	#	NA	183	203 ✓
Male	#	NA	717	700 ✓
Employees Paid in Hourly Wages	#	NA	2,872	2,756 ✓
Female	#	NA	57	68 ✓
Male	#	NA	2,815	2,688 ✓
Metric	**Unit**	**2023**	**2024**	**2025**
Number of Employees with a Position In Trade Unions	#	21	25	25 ✓
Number of Employees with a Position In Employer Associations	#	1	1	1 ✓
Number of Employees in Workplaces without an OHS Committee or Equivalent Body (such as Union Representation or Labor Relations Board)	#	0	0	0 ✓

** NA: Not Available*

✓ *Refers to data covered within the scope of limited assurance.*

New Recruitment*

Metric		Unit	2023	2024	2025
Total Number of Newly Recruited Employees		#	2,210	482	383 ✓
	Female	#	94	38	53 ✓
		%	4%	8%	14% ✓
	Male	#	2,116	444	330 ✓
		%	96%	92%	86% ✓
Under 30		#	1,522	310	262
	Female	#	50	19	27
	Male	#	1,472	291	235
Between 30-50		#	652	164	116
	Female	#	41	18	26
	Male	#	611	146	90
Over 50		#	36	8	5
	Female	#	3	1	0
	Male	#	33	7	5
Number of Interns Recruited within a Year		#	257	321	359
	Female	#	45	40	47
	Male	#	212	281	312
Recent Graduates Recruited		#	38	30	27
	Female	#	6	7	10
	Male	#	32	23	17

*Including subsidiaries.
✓ Refers to data covered within the scope of limited assurance.

Employees Leaving the Company

Metric	Unit	2023	2024	2025
Total Number of Employees Leaving the Company	#	1,129	1,110	583 ✓
Female	#	37	38	26 ✓
Male	#	1,092	1,072	557 ✓
Under 30	#	546	519	297
Female	#	11	16	10
Male	#	535	503	287
Between 30-50	#	461	448	234
Female	#	23	20	14
Male	#	438	428	220
Over 50	#	122	143	52
Female	#	3	2	2
Male	#	119	141	50

Employee Turnover

Metric	Unit	2023	2024	2025
Voluntary Employee Turnover Numbers	#	478	228	160 ✓
Female	#	22	12	14 ✓
Male	#	456	216	146 ✓
Voluntary Employee Turnover Rate – Female	%	-	5%	5% ✓
Voluntary Employee Turnover Rate - Male	%	-	6%	4% ✓
Number of Terminated Employees	#	651	882	423
Female	#	15	26	12
Male	#	636	856	411
Employee Turnover Rate (Total Employees Leaving the Company / Total Number of Employees at Year-end)	%	25.7%	29.4%	15.9% ✓
Female	%	16.0%	16.0%	9.6% ✓
Male	%	27.0%	30.0%	16.4% ✓

✓ *Refers to data covered within the scope of limited assurance.*

Diversity

Metric	Unit	2023	2024	2025
Female Employment Rate	%	5%	6%	7%
Female Employment Rate – Office Employees	%	4%	5%	6%
Female Employment Rate – Field Employees	%	2%	2%	2%
Female Employment Rate – Subcontractors	%	11%	33%	34%

Equal Opportunity

Metric	Unit	2024	2025
Employees in First-level Management Positions	#	37	33 ✓
Female	#	3	2 ✓
Male	#	34	31 ✓
Employees in Mid-level Management Positions	#	175	170 ✓
Female	#	23	28 ✓
Male	#	152	142 ✓
Employees in Executive Management Positions	#	8	8 ✓
Female	#	3	3 ✓
Male	#	5	5 ✓
Number of Members on the Board of Directors	#	14	24 ✓
Female	#	3	9 ✓
Male	#	11	15 ✓

✓ *Refers to data covered within the scope of limited assurance.*

Talent Management

Metric	Unit	2023	2024	2025
Number of Employees Undergoing Regular Performance and Career Development Appraisal	#	4,398	3,608	3,547 ✓
Female	#	224	214	224 ✓
Male	#	3,274	3,394	3,323 ✓
Rate of Employees Undergoing Performance Appraisal	%	100%	95.65%	96.94% ✓

Trainings

Metric	Unit	2023	2024	2025
Average Training Time per Employee	hour	24	24	16
Female	hour	42	56	22
Male	hour	23	22	16
Total Employee Training Time	person*hours	101,395	88,839	58,379
Female	person*hours	9,118	12,167	5,437
Male	person*hours	92,277	76,671	52,942
Total Training and Development Expenditure	TL	19,292,095	41,253,511	29,065,402

Employee Well-being

Metric	Unit	2023	2024	2025
Employees Taking Parental Leave	#	216	250	46 ✓
Female	#	9	7	16 ✓
Male	#	207	243	30 ✓
Employees Returning to Work After Parental Leave	#	211	250	38 ✓
Female	#	8	7	10 ✓
Male	#	203	243	28 ✓

Employee Engagement

Metric	Unit	2023	2024	2025
Employee Engagement Survey Response Rate	%	94%	96%	97%
Employee Engagement Survey Result	%	72.3%	83.4%	88.7%

✓ *Refers to data covered within the scope of limited assurance.*

Occupational Health and Safety

Metric	Unit	2023	2024	2025
Company Employees – Fatal Incidents	#	0	0	0
Company Employees – Occupational Diseases	#	0	0	0
Company Employees – Lost Workday Rate *	%	9.3%	7.8%	4.5%
Company Employees – Field Inspections	#	185	605	1,041
Company Employees – Corrective Actions	#	2,056	2,605	843
Subcontractor Employees – Fatal Incidents	#	0	0	0
Subcontractor Employees - Occupational Diseases	#	0	0	0

** Number of incidents occurring in 1,000,000 hours worked.*

OHS Trainings

Metric	Unit	2023	2024	2025
Total OHS Training Time for Company Employees	person*hours	37,243	23,028	32,171 ✓
Total OHS Training Time for Contractors/Subcontractors	person*hours	152.5	244.5	17,102 ✓

Suppliers

Metric	Unit	2023	2024	2025
Total Number of Suppliers	#	1,426	1,431	1,508
Local Suppliers	#	1,130	1,143	1,253 ✓
Foreign Suppliers	#	296	288	255
Local Supplier Rate	%	79.24%	79.87%	83.09% ✓
Foreign Supplier Rate	%	20.76%	20.13%	16.91%

Customers

Metric	Unit	2023	2024	2025
Call Center Resolution Satisfaction Rate	%	61%	69%	68.9% ✓
Call Center Customer Satisfaction Rate	%	90%	89%	87.9% ✓
Complaint Resolution Rate	%	99.4%	99.7%	99.6% ✓
Authorized After-sales Service Satisfaction Rate	%	84.%	85.8%	87.5% ✓
Dealer Satisfaction Rate	%	94%	95%	93.9% ✓
Roadside Assistance Response Time Satisfaction Rate	%	91%	90%	88.0% ✓

Ethics Line

Metric	Unit	2024	2025
Number of Reports Submitted to the Ethics Line	#	36	56 ✓

✓ *Refers to data covered within the scope of limited assurance.*

ENVIRONMENTAL PERFORMANCE INDICATORS

Environmental Management

Metric	Unit	2023	2024	2025
Environmental Spending	TL million	6.4	5.9	13.1 ✓
Significant Environmental Fines	#	0	0	0 ✓
Environmental Accidents	#	0	0	0

Energy Management

Metric	Unit	2023	2024	2025
Electricity	kWh	28,175,961.00	29,065,045.00	28,077,468.00
Natural Gas	m^3	4,469,617.00	4,674,648.00	4,633,045.00
Diesel	L	22,837	6,657	5,200.00
Total Energy Consumption	GJ	285,624	351,256	310,530.67 ✓
Direct Energy Consumption	GJ	181,075	243,984	207,843.88 ✓
Indirect Energy Consumption	GJ	101,691	107,272	102,686.51 ✓
Energy Consumption per Unit (Grid and SPP)	GJ/unit	18.02	7.70	6.71 ✓

Renewable Energy Generation and Consumption

Metric	Unit	2023	2024	2025
Renewable Energy – Installed Capacity	kWh	NA	NA	800 kwe
Renewable Energy Consumption	kWh	NA	NA	963,287.00
Ratio of Renewable Energy Consumption to Total Energy Consumption	%	NA	NA	3%

** NA: Not Available*

✓ *Refers to data covered within the scope of limited assurance.*

Energy Savings

Metric	Unit	2023	2024	2025
Number of Energy Efficiency Projects	number	19	10	35
Energy Savings Through Improvements	kWh	2,625,808	2,833,112	3,032,020
Financial Savings Through Improvements	TL	5,300,000	6,570,000	9,927,000
Energy Savings per Product	kWh/product	518.9	504.9	524.60

Greenhouse Gas Emissions

Metric	Unit	2023	2024	2025
Scope 1 (direct) Emissions	tons CO_2e	16,046	14,781	13,897.23 ✓
Scope 2 (indirect) Emissions (Location-based)	tons CO_2e	12,722	12,939	11,305.48 ✓
Scope 2 (indirect) Emissions (Market-based)	tons CO_2e	12,722	12,740	11,305.48 ✓
Scope 3 (indirect) Emissions	tons CO_2e	4,999,262	4,929,872	5,756,738 ✓
GHG Intensity	tCO_2e/TL revenue	0.13	0.11	0.11
Scope 1 (direct) Emissions per Unit	tons CO_2e/unit	1.08	0.93	0.90 ✓
Scope 2 (indirect) Emissions (Location-based) per Unit	tons CO_2e/unit	0.86	0.73	0.73 ✓
Scope 3 (indirect) Emissions per Unit	tons CO_2e/unit	338.04	310.63	371.77 ✓

Other Emissions

Metric	Unit	2023	2024	2025
Nitrogen oxides (NO_x/NO_2)	tons	64.99	64,483	67.08 ✓
Sulfur oxides (SO_x/SO_2)	tons	0.102	0.101	0.46 ✓
Non-methane Volatile Organic Compounds (NMVOC)	tons	23,891	23,703	43.95 ✓

✓ *Refers to data covered within the scope of limited assurance.*

Waste Management

Metric	Unit	2023	2024	2025
Total Hazardous Waste Amount	tons	737	737	726 ✓
Total Non-hazardous Waste Amount	tons	8,221	7,677	7,791 ✓
Total Waste Amount	tons	8,958	8,414	8,517 ✓
Amount of Other Recycled Plastics	tons	38.20	211.21	259.82
Metric	**Unit**	**2023**	**2024**	**2025**
Generated Waste	(tons/unit)	0.56	0.51	0.55 ✓
Generated Hazardous Waste	(tons/unit)	0.043	0.046	0.047 ✓
Recycled Waste	tons	8,892	8,396	8,514 ✓
Waste Recycling Rate	%	9%	99%	100% ✓

Water Stewardship

Metric	Unit	2023	2024	2025
Municipal Water Withdrawal	m^3	101,004	149,686	193,754 ✓
Groundwater Withdrawal	m^3	91,063	69,239	48,518 ✓
Rainwater Harvest	m^3	950	1,100	1,300 ✓
Total Water Withdrawal	m^3	193,017	220,025	243,572 ✓
Metric	**Unit**	**2023**	**2024**	**2025**
Wastewater	m^3	90,000	126,000	156,540 ✓
Water Consumption *	m^3	103,000	93,765	87,032 ✓
Recovered Water through Recycling and Treatment	m^3	150,000	160,000	157,120 ✓
Water Consumption per Unit	m^3/unit	12.9	14	15.73 ✓
Net Water Use per Unit	m^3/unit	6	5.9	5.62 ✓

**Calculation formula: Water Withdrawal/Wastewater*

✓ *Refers to data covered within the scope of limited assurance.*

REPORTING GUIDELINES

The Reporting Guidelines ("Guidelines") provide information on the preparation, calculation, and reporting methodologies related to the data and metrics covered within the limited assurance scope for the 2025 Sustainability Report of Otokar Otomotiv ve Savunma Sanayi A.Ş. ("Company").

These metrics include social and environmental performance indicators. Otokar management is responsible for ensuring that appropriate procedures are followed to prepare these metrics in all material aspects in accordance with the Guidelines.

The information contained in the Guidelines covers the fiscal year ending December 31, 2025 (January 1, 2025 – December 31, 2025). The information presented in this report covers the main activities of Otokar in Türkiye alongside 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)
- Otokar Land Systems SRL (Romania)

General Reporting Principles

The following principles have been observed in preparing the Guidelines:

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

Key Descriptions and Reporting Scope

For the purposes of this report, the Company has defined the relevant indicators and metrics as follows:

TYPE	METRIC	SCOPE
ENVIRONMENTAL	**Environmental Management**	
	Environmental Spending (TL)	This metric - expressed in Turkish Lira (TL) – refers to the total environmental spending in the reporting period.
	Significant Environmental Fines	This metric - expressed in Turkish Lira (TL) – refers to the total amount of all significant fines imposed on the Company within the reporting period by authorities for non-compliance with environmental regulations.
	Energy Management	
	Total Energy Consumption (GJ)	This metric - expressed in GJ - refers to Otokar's total direct and indirect energy consumption in the reporting period.
	Direct Energy Consumption (GJ)	This metric - expressed in GJ - refers to the total amount of energy directly procured from sources controlled or owned by Otokar and consumed within the reporting period.
	Indirect Energy Consumption – Grid (GJ)	This metric - expressed in GJ - refers to the total amount of energy generated from external resources and consumed by the company within the reporting period.
	Energy Consumption per Unit– Grid and SPP (GJ/Unit)	This metric refers to the total amount of all direct and indirect energy consumption per a specific business unit within the reporting period. Unit represents the total combined value of the vehicles produced.
	Greenhouse Gas Emissions	
	Scope 1 (direct) Emissions (tons CO_2e)	This metric refers to direct consumption emissions from the company's activities within the reporting period, in accordance with the GHG Protocol.
	Scope 2 (indirect) Emissions (tons CO_2e)	This metric refers to the indirect consumption emissions from the company's activities within the reporting period, in accordance with the GHG Protocol. Scope 2 emissions are reported as location-based and market based.
	Scope 3 (indirect) Emissions (tons CO_2e)	This metric refers to indirect greenhouse gas emissions from external sources other than the company's direct activities in line with the GHG Protocol. Since Scope 3 emissions do not encompass own activities, Category 10: Processing of Sold Products, Category 14: Franchises, and Category 15: Investments have not been included.
	Scope 1 (direct) Emissions per Unit (tons CO_2e/unit)*	This metric refers to the total Scope 1 emissions from sources directly controlled or owned by the Company per specific business unit within the reporting period. Unit represents the total combined value of the vehicles produced.
	Scope 2 (indirect) Emissions per Unit (Location-based) (tons CO_2e/unit)	This metric refers to the total Scope 2 emissions from the company's indirect consumption per specific business unit within the reporting period. Unit represents the total combined value of the vehicles produced.
	Scope 3 (indirect) Emissions per Unit (tons CO_2e/unit)	This metric refers to the total Scope 3 emissions from the company's value chain but outside its direct control or ownership per specific business unit within the reporting period. Subsidiaries are included.

TYPE	METRIC	SCOPE
ENVIRONMENTAL	**Other Emissions**	
	Nitrogen oxides (NO_x/NO_2) (tons)	This metric – expressed in tons – refers to the amount of Nitrogen Oxide (NO_x) emissions, particularly Nitrogen Dioxide (NO_2), from the company's activities within the reporting period.
	Sulfur oxides (SO_x/SO_2) (tons)	This metric – expressed in tons – refers to the amount of Sulfur Oxide (SO_x) emissions, particularly Sulfur Dioxide (SO_2), from the company's activities within the reporting period.
	Non-methane volatile organic compounds (NMVOCs) (tons)	This metric – expressed in tons – refers to the amount of non-methane volatile organic compounds (NMVOCs) resulting from the company's activities within the reporting period.
	Waste Management	
	Total Hazardous Waste Amount (tons)	This metric refers to the amount of hazardous waste generated as a result of the company's activities within the reporting period.
	Total Non-hazardous Waste Amount (tons)	This metric refers to the amount of non-hazardous waste generated as a result of the company's activities within the reporting period.
	Total Waste Amount (tons)	This metric refers to the total amount of all hazardous and non-hazardous waste generated as a result of the company's activities within the reporting period.
	Generated Waste (tons/unit)	This metrics refers to the weight of all waste generated as a result of the company's activities within the reporting period.
	Generated Hazardous Waste (tons/unit)	This metric refers to the total amount of waste generated as a result of the company's activities within the reporting period and classified as hazardous per applicable legislation.
	Recycled Waste (tons)	This metric refers to the weight of all waste generated as a result of the company's activities within the reporting period that was recovered and reused instead of diverting to disposal.
	Waste Recycling Rate (%)	This metric refers to the rate of the total waste generated by the Company that is recycled, reused or recovered through energy recovery within the reporting period.
	Water Stewardship	
	Municipal Water Withdrawal (m^3)	This metric refers to the amount of municipal water consumed within the reporting period. It is tracked through service providers' bills (12 months) and mapped using financial reporting systems. An assessment of the tenant's municipal water consumption at Otokar's Arifiye location demonstrated a negligible amount of consumption. Since this negligible amount could not be directly itemized, the total figure was included in the operation cost.
	Groundwater Withdrawal (m^3)	This metric refers to the amount of monthly reported groundwater consumption monitored through the company's internal meters within the reporting period.
	Rainwater Harvest (m^3)	This metric refers to the amount of rainwater harvested by the company within the reporting period.
	Total Water Withdrawal (m^3)	This metric refers to the total amount of municipal water, groundwater, and rainwater consumed by the company within the reporting period.
	Wastewater (m^3)	This metric refers to the total amount of wastewater generated as a result of the company's operations and subsequently discharged within the reporting period. An assessment of the tenant's wastewater discharge at Otokar's Arifiye location demonstrated a negligible amount. Since this negligible amount could not be directly itemized, the total figure was included in the operation cost.

TYPE	METRIC	SCOPE
	Water Consumption (m^3)	This metric refers to the company's total water consumption within the reporting period as the difference between the amount of water withdrawal and the amount of wastewater discharge.
	Recovered Water through Recycling and Treatment (m^3)	This metric refers to the total amount of wastewater generated during the company's operations or from other water sources and reused through treatment, recycling, and/or rehabilitation processes within the reporting period.
	Water Consumption per Unit (m^3/Unit)	This metric refers to the total amount of water withdrawn by the company within the reporting period. Unit represents the total combined value of the vehicles produced.
	Net Water Use per Unit (m^3/Unit)	This metric refers to the company's water consumption per unit within the reporting period. Unit represents the total combined value of the vehicles produced.
SOCIAL	**Employee Figures**	
	Total Number of Employees	This metric refers to the total number of employees, including both male and female, tracked by the company's Human Resources data platform and registered with the Social Security Institution within the reporting period. Interns are not included in the total number of employees. No part-time employees were recruited in 2025. The figures represent full-time employees.
	Number of Subcontractor Employees	This metric refers to the total number of subcontractor employees and its breakdown by gender within the reporting period. The figure only includes Türkiye operations.
	Number of Disabled Employees	This metric refers to the number of employees, who qualify as disabled under Law No. 5378 on Persons with Disabilities, broken down by gender. The figures are broken down by gender and only include Türkiye operations.
	Employees by Age Groups	
	Employees by Age Groups	This metric refers to the number of company employees, tracked via the company's Human Resources data platform and registered with the Social Security Institution, categorized by age groups (under 30, between 30-50, over 50), including gender (female, male) and total figures. Interns are not included.
	Employees by Contract Type	
	Total Employees on Indefinite Contracts	This metric - tracked via the company's Human Resources data platform within the reporting period - refers to the number of female and male employees on indefinite contracts, according to the definition of Indefinite Employment Contracts under Law No. 4857. Interns are not included in the employee count by contract type.
	Total Employees on Term Contracts	This metric - tracked via the company's Human Resources data platform within the reporting period - refers to the number of female and male employees on term contracts, according to the definition of Term Employment Contracts under Law No. 4857. Interns are not included in the employee count by contract type.
	Employees by Category	
	Employees Paid in Monthly Salaries	This metric - tracked via the company's Human Resources data platform within the reporting period - refers to the number of employees, broken down by gender, paid fixed monthly salaries.
	Employees Paid in Hourly Wages	This metric - tracked via the company's Human Resources data platform within the reporting period - refers to the number of employees, broken down by gender, paid hourly wages.

TYPE	METRIC	SCOPE
SOCIAL	Number of Employees with a Position In Trade Unions	This metric refers to the number of employees who were members of labor unions and actively participated in union activities within the reporting period.
	Number of Employees with a Position In Employer Associations	This metric refers to the number of employees who were actively involved in employers' associations within the reporting period.
	Number of Employees in Workplaces without an OHS Committee or Equivalent Body (such as Union Representation or Labor Relations Board)	This metric refers to the number of employees in workplaces without an OHS Committee or Equivalent Body (such as Union Representation or Labor Relations Board) within the reporting period.
	New Recruits (incl. subsidiaries)	
	New Recruitment Figures, including Subsidiaries	This metric refers to the total number of new employees (women, men, total) recruited by the company and its subsidiaries within the reporting period. The ratio of new recruits (including subsidiaries) by gender to total employee count is calculated as a percentage. Interns are not included in the number of newly hired employees.
	Employees Leaving the Company	
	Total Number of Employees Leaving the Company	This metric refers to the total number of employees, broken down by gender, who left the company and who were declared by the Company to the Social Security Institution with Termination Notices.
	Employee Turnover	
	Total Number of Employees Voluntarily Leaving the Company	This metric refers to the total number of employees, broken down by gender, who voluntarily left the company within the reporting period.
	Voluntary Employee Turnover (Female/Male)	This metric refers to the turnover rates and the ratio of the number of employees - who voluntarily left the company within the reporting period and who were declared by the Company to the Social Security Institution with Termination Notices - to the year-end total employee count, broken down by gender. Interns are not included in the number of employees who left the company.
	Employee Turnover Rate (Total Employees Leaving the Company / Total Number of Employees at Year-end)	This metric refers to the turnover rates and the ratio of the number of employees - who voluntarily left the company within the reporting period and who were declared by the Company to the Social Security Institution with Termination Notices - to the year-end total employee count. Interns are not included in the number of employees who left the company.
	Equal Opportunity	
	Employees in First-level Management Positions	This metric refers to number of employees- tracked via the company's Human Resources data platform within the reporting period - in team leader positions at the PL5 and PL6 levels and broken down by gender.
	Employees in Mid-level Management Positions	This metric refers to number of employees- tracked via the company's Human Resources data platform within the reporting period - in PL1, PL2, PL3, and PL4 levels and broken down by gender.
	Employees in Executive Management Positions	This metric refers to number of employees- tracked via the company's Human Resources data platform within the reporting period - in BL and FL levels and broken down by gender.
	Number of Members on the Board of Directors	This metric refers to the number of members serving on the Board of Directors as of the end of the reporting period, broken down by gender.
	Talent Management	
	Number of Employees Undergoing Regular Performance and Career Development Appraisal	This metric refers to the total number of employees - tracked via the company's Human Resources data platform – undergoing performance appraisals within the reporting period and meeting the criteria determined by management within the reporting period. Interns are not included in the figures.
	Rate of Employees Undergoing Performance Appraisal (%)	This metric refers to the rate of employees - tracked via the company's Human Resources data platform – undergoing performance appraisal within the reporting period, based on criteria determined by management, to total employee count. Interns are not included in the figures.

TYPE	METRIC	SCOPE
SOCIAL	**Employee Well-being**	
	Employees Taking Parental Leave	This metric refers to the number of company employees in Türkiye taking parental leave (maternity leave for women and paternity leave for men) pursuant to the Regulation on Post-Maternity Part-Time Work or Unpaid Leave within the reporting period.
	Employees Returning to Work After Parental Leave	This metric refers to the number of employees - tracked via the company's Human Resources data platform – returning to work after parental leave.
	Occupational Health and Safety (OHS) Trainings	
	Total OHS Training Time for Company Employees	This metric refers to the total person x hours of occupational health and safety training provided for the company employees within the reporting period.
	Total OHS Training Time for Contractors/Subcontractors	This metric refers to the total person x hours of occupational health and safety training provided by the company for subcontractor employees within the reporting period.
	Suppliers	
	Local Suppliers	This metric refers to the number of local suppliers included in Otokar's total suppliers and mapped using Otokar's financial reporting systems within the reporting period. It only includes Türkiye operations.
	Local Supplier Rate (%)	This metric – expressed as a percentage - refers to rate of spending on local suppliers/number of local suppliers within the company's total number of suppliers during the reporting period. It only includes Türkiye operations.
	Customers	
	Call Center Resolution Satisfaction Rate (%)	This metric – expressed as a percentage - refers to the satisfaction level of customers who contacted the call center within the reporting period based on whether their issues were resolved satisfactorily during the initial contact or at the end of the process.
	Call Center Customer Satisfaction Rate (%)	This metric – expressed as a percentage - refers to the overall satisfaction level of customers who interacted with the call center within the reporting period.
	Complaint Resolution Rate (%)	This metric – expressed as a percentage - refers to the rate of customer complaints communicated within the reporting period that were successfully resolved to ensure customer satisfaction.
	Authorized After-sales Service Satisfaction Rate (%)	This metric – expressed as a percentage – refers to the overall satisfaction level of customers who were serviced by authorized after-sales service centers within the reporting period.
	Dealer Satisfaction Rate (%)	This metric – expressed as a percentage - refers to the satisfaction level of dealers within the company's dealer network measured through surveys during the reporting period.
	Roadside Assistance Response Time Satisfaction Rate (%)	This metric – expressed as a percentage - refers to the satisfaction level of customers who received roadside assistance within the reporting period regarding service response time.
	Ethics Line	
	Number of Reports Submitted to the Ethics Line	This metric refers to the number of incidents reported to the the Ethics Line within the reporting period.

DATA PREPARATION

Environmental Performance Indicators

Transition to Low-Carbon Economy and Clean Technologies Metrics

- Our Scope I emissions, consisting of all direct greenhouse gas emissions, are calculated to encompass the manufacturing plant in Arifiye, Sakarya, along with sales offices, warehouses, and administrative centers across six locations, including four in Türkiye. Emission sources such as stationary combustion sources, mobile combustion sources, company vehicles, and fugitive gases are included.
- Our Scope II emissions, consisting of all purchased indirect energy sources, are calculated to encompass the manufacturing plant in Arifiye, Sakarya, along with sales offices, warehouses, and administrative centers across six locations, including four in Türkiye.
- Our Scope III emissions include but are not limited to processes such as materials and transportation for production, business travel, employee commuting, waste, distribution of products sold, use of products sold, operational waste, and all pre- and post-production emission sources along with end-of-life treatment of sold products. Since Scope 3 emissions do not encompass own activities, Category 10: Processing of Sold Products, Category 14: Franchises, and Category 15: Investments have not been included.

IPCC, IEA, DEFRA, EcoInvent, IEEO and Otokar's own industry-specific activities have been used as emission factor sources.

Energy Management

As part 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 IPCC Sixth Assessment Report (AR6)

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

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

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

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

Electricity consumption is obtained in MWh from electricity bills and converted into kWh and then GJ (1kWh: 0.0036 GJ)

Water Stewardship Metrics (thousand m^3)

Groundwater Withdrawal: Underground water resources used by the enterprise.

Municipal Water Withdrawal: Water and rainwater withdrawn from the municipal water supply and consumed by the enterprise.

Rainwater Harvest: This metric represents the amount of rainwater harvested and consumed by the enterprise within the reporting period.

Wastewater: Total amount of wastewater generated as a result of the enterprise's activities and subsequently discharged (treated or untreated).

Water Consumption (Withdrawal-Wastewater) Total Water Use: 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: Total amount of water reusable through treatment, recycling and/or rehabilitation of wastewater generated during the enterprise's activities or from other water sources.

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

Net Water Use per Unit: Data obtained by subtracting the amount of wastewater from the amount of water withdrawal.

Waste Management Metrics

Total Waste Amount (tons) - Formula:

Hazardous Waste (tons) + Non-hazardous Waste (tons)

Social Performance Indicators

Employee Turnover

Employee turnover is tracked in terms of employee turnover rate.

Employee Turnover (%) Formula:

Total Number of Employees Leaving the Company by Gender (Female/Male/Total) / Total Number of Employees at Year-end by Gender (Female/Male/Total) x 100

Employee Turnover (incl. subsidiaries)

The Company defined employees who voluntarily leave the company as unwanted departures.

Voluntary Employee Turnover Rate (%) Formula:

Number of Employees Voluntarily Leaving the Company by Gender (Female/Male) / Total Employee Number by Gender (Female/Male) x 100

New Recruitment Figures (incl. subsidiaries)

Rate of Employees Recruited Within the Year, Including Subsidiaries (%) Formula:

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

Potential Employee Management Metrics

Rate of Employees Undergoing Performance Appraisal (%) Formula:

Number of employees who have undergone performance appraisal based on criteria set by management / Total employee count x 100

Customer Satisfaction Metrics

Call Center Resolution Satisfaction Rate (%) Formula:

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

Call Center Customer Satisfaction Rate (%) Formula:

Overall Satisfaction Score / Total Number of Responding Customers x 100

Resolution Rate (%) Formula:

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

Authorized After-sales Service Satisfaction Rate (%) Formula:

Overall Satisfaction Score / Total Number of Responding Customers x 100

Dealer Satisfaction Rate (%) Formula:

Overall Satisfaction Score / Total Number of Responding Customers x 100

Roadside Assistance Response Time Satisfaction Rate (%) Formula:

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

OHS Metrics

The following definitions and formulas are used in the calculation of occupational health and safety metrics. The same formula is used to calculate the Subcontractor Employees' OHS Training Time.

OHS Training Time Formula:

Total Number of Participants taking OHS training x Training hours

EY
Shape the future with confidence

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(Convenience Translation of Auditor's Limited Assurance Report Originally Issued in Turkish)

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

This Independent Assurance Report (the "Report") is intended solely for the management of Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi for the purpose of Selected Sustainability Information (the "Selected Information") listed below in its 2025 Sustainability Report (hereinafter "Sustainability Report") for the period running from January 1, 2025 to 31 December 2025.

Subject Matter Information and Applicable Criteria

In line with the request of Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi, our responsibility is to provide limited assurance on the Selected Information listed below within the scope of the "Annexes/Reporting Guidelines" ("Reporting Guidelines") included in pages 109-116 of Sustainability Report 2025.

The Scope of Our Assurance

The scope of our assurance is limited to the examination of environmental and social indicators marked with √ listed in the Selected Information shown below, which are reported in pages 99-108 of the 2025 Sustainability Report.

Social Performance Indicators

1. Employee Figures
    - Total Number of Employees
    - Number of Female Employees
    - Number of Male Employees
    - Total Number of Subontractor Employees
    - Number of Female Subontractor Employees
    - Number of Male Subcontractor Employees
    - Total Number of Disabled Employees
    - Female Disabled Employees
    - Male Disabled Employees
2. Employees by Age Groups
    - Total Employees Under 30
    - Female Employees Under 30
    - Male Employees Under 30
    - Total Employees Between 30-50 (inclusive)
    - Female Employees Between 30-50 (inclusive)
    - Male Employees Between 30-50 (inclusive)
    - Total Employees Over 50
    - Female Employees Over 50
    - Male Employees Over 50
3. Employees by Contract Type
    - Total Employees on Indefinite Contracts
    - Female Employees on Indefinite Contracts
    - Male Employees on Indefinite Contracts
    - Total Employees on Term Contracts
    - Female Employees on Term Contracts
    - Male Employees on Term Contracts
4. Employees by Category
    - Total Employees Paid in Monthly Salaries
    - Female Employees Paid in Monthly Salaries
    - Male Employees Paid in Monthly Salaries
    - Employees Paid in Hourly Wages
    - Female Paid in Hourly Wages
    - Male Paid in Hourly Wages
5. Number of Employees with a Position In Trade Unions
6. Number of Employees with a Position In Employer Associations
7. Number of Employees in Workplaces without an OHS Committee or Equivalent Body (such as Union Representation or Labor Relations Board)
8. New Recruitment
    - Total Number of Newly Recruited Employees
    - Number of New Female Employees
    - Rate of New Female Employees
    - Number of New Male Employees
    - Rate of New Male Employees
9. Employees Leaving the Company
    - Total Number of Employees Leaving the Company
    - Number of Female Employees Leaving the Company
    - Number of Male Employees Leaving the Company
10. Employee Turnover
    - Voluntary Employee Turnover Numbers
    - Voluntary Female Employee Turnover Numbers
    - Voluntary Male Employee Turnover Numbers
    - Voluntary Employee Turnover Rate - Female
    - Voluntary Employee Turnover Rate - Male
    - Employee Turnover Rate (Total Employees Leaving the Company / Total Employees at Year-End)
    - Female Employee Turnover Rate
    - Male Employee Turnover Rate
11. Equal Opportunity
    - Employees in First-level Management Positions

- Female Employees in First-level Management Positions
- Male Employees in First-level Management Positions
- Employees in Mid-level Management Positions
- Female Employees in Mid-level Management Positions
- Male Employees in Mid-level Management Positions
- Employees in Executive Management Positions
- Female Employees in Executive Management Positions
- Male Employees in Executive Management Positions
- Number of Members on the Board of Directors
- Female Number of Members on the Board of Directors
- Male Number of Members on the Board of Directors

12. Talent Management
    - Number of Employees Undergoing Regular Performance and Career Development Appraisal
    - Number of Female Employees Undergoing Regular Performance and Career Development Appraisal
    - Number of Male Employees Undergoing Regular Performance and Career Development Appraisal
    - Rate of Employees Undergoing Performance Appraisal
13. Employee Well-being
    - Employees Taking Parental Leave
    - Female Employees Taking Parental Leave
    - Male Employees Taking Parental Leave
    - Employees Returning to Work After Parental Leave
    - Female Employees Returning to Work After Parental Leave
    - Male Employees Returning to Work After Parental Leave
14. OHS Training
    - Total OHS Training Time for Company Employees
    - Total OHS Training Time for Contractors/ Subcontractors
15. Suppliers
    - Local Suppliers
    - Local Supplier Rate
16. Customers
    - Call Center Resolution Satisfaction Rate
    - Call Center Customer Satisfaction Rate
    - Complaint Resolution Rate
    - Authorized After-sales Service Satisfaction Rate
    - Dealer Satisfaction Rate
    - Roadside Assistance Response Time Satisfaction Rate
17. Ethics Line
    - Number of Reports Submitted to the Ethics Line

Environmental Performance Indicators

18. Environmental Management
    - Environmental Spending (TL million)
    - Significant Environmental Fines
19. Energy Management
    - Total Energy Consumption
    - Direct Energy Consumption
    - Indirect Energy Consumption
    - Energy Consumption per Unit (Grid and SPP)
20. Greenhouse Gas Emissions
    - Scope 1 (direct) Emissions
    - Scope 2 (indirect) Emissions (Location-Based)
    - Scope 2 (indirect) Emissions (Market-Based)
    - Scope 3 (indirect) Emissions
    - Scope 1 (direct) Emissions per Unit
    - Scope 2 (indirect) Emissions (Location-Based) per Unit
    - Scope 3 (indirect) Emissions per Unit
21. Other Emissions
    - Nitrogen oxides (NO_x/NO_2)
    - Sulfur oxides (SO_x/SO_2)
    - Non-methane Volatile Organic Compounds (NMVOC)
22. Waste Management
    - Total Hazardous Waste Amount
    - Total Non-Hazardous Waste Amount
    - Total Waste Amount
    - Generated Waste
    - Generated Hazardous Waste
    - Recycled Waste
    - Waste Recycling Rate
23. Water Stewardship
    - Municipal Water Withdrawal
    - Groundwater Withdrawal
    - Rainwater Harvesting
    - Total Water Withdrawal
    - Wastewater
    - Water Consumption
    - Recovered Water through Recycling and Treatment
    - Water Consumption per Unit
    - Net Water Consumption per Unit

Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi's Responsibilities

Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi's management is responsible for the preparation, collection, and presentation of the information for the Selected Information. In addition, Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi'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 2025, 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 Assurance Engagements Other Than Independent Audit or Limited Independent Audit of Historical Financial Information and AES 3410 Assurance Engagements Regarding Greenhouse Gas Declarations which are parts 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 Otomotiv ve Savunma Sanayi Anonim Şirketi to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
2. Reviewed Selected Information through online online and face to face interviews with personnel at Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi Otomotiv ve Savunma Sanayi Anonim Şirketi's domestic and international locations, as well as through other available documentation for Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi'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 Otomotiv ve Savunma Sanayi Anonim Şirketi'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 2025.

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, 2025, 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 2025 for the year ended on December 31, 2025; 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

Cem Uçarlar SMMM Partner

31 July 2026
İstanbul, Türkiye

Otokar

Otokar Otomotiv ve Savunma Sanayi A.Ş.

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