

TODAY'S DIRECTION, TOMORROW'S REFLECTION



2024 Sustainability Report
temsa.com



CONTENTS

OVERVIEW

About the Design Approach	3
Chairman’s Message	4
CEO’s Message	6
About Our Report	8

CORPORATE PROFILE

Vision, Mission and Values	10
About TEMSA	11
Our Milestones	12
Our Products and Services	13
Our Operations and Markets	18

STRATEGY AND MANAGEMENT

Strategic Priorities	20
Sustainability Manager’s Message	21
Sustainability Milestones	22
Sustainability Targets	23
Sustainability Management	24
Sustainability Committee	25
Sustainability Agile Team	27
Risk and Opportunity Management	28
Sustainability-Oriented Risk and Opportunity Management	29
Sustainability-Oriented Risk and Opportunity Assessment	30
Assessment of Impact, Vulnerability, and Climate Resilience for Sustainability Risks and Opportunities	41
Our Business Continuity and Crisis Control Approach at TEMSA	42
Compliance with Corporate Governance Principles	43
Ethics and Transparency	44

Compliance Performance	45
Sustainability Priorities	47
2024 Materiality Matrix	48
Contribution to the Sustainable Development Goals	49
Sustainability-Oriented Value Creation Model	50
Our Sustainable Governance and Effective Communication Strategy	51
Social Dialog	51
Stakeholder Engagement and Communication	51

COMPLIANCE WITH NATIONAL AND INTERNATIONAL STANDARDS

Global Developments, Automotive Industry Trends and TEMSA Impact Assessment	53
Local and Global Regulations	56
Contribution to National and International Reporting	57

DIGITALIZATION, R&D and INNOVATION-ORIENTED IMPACTS

Facilitators of Sustainability at TEMSA	59
R&D Center Milestones	59
R&D Innovation	60
R&D and Innovation-Oriented Projects	61
R&D Center’s National And International Collaborations	63
Digitalization and Technology	65
New Vehicle Technologies	65
Electric Vehicles And Battery Technologies	66
Value-Oriented Information Technologies and Our Digitalization Structure	69
Data Privacy and Cybersecurity	72

ECONOMIC IMPACTS AND LOW-CARBON GROWTH

Economic Performance and Sustainable Products	74
Value Chain Management	76
Responsible Procurement and Supply Chain Management	77
Localization	81
Sustainable Logistics Management Practices	81
Product Safety and Quality Management	81
Customer Satisfaction and Experience	83
Customer Health and Safety	85
Driving Safety Practices	85

ENVIRONMENTAL IMPACTS AND SUSTAINABLE OPERATIONS

Our Environmental Management Approach	88
Combating the Climate Crisis	95
Energy Management	90
Air Quality Management and Emissions Control	91
Product Life Cycle Analysis	92
Waste Management and Circular Economy Practices	92
Water and Wastewater Management	95
Nature-Based Approaches	96
Our Nature-Based Practices	97
Biodiversity Protection	98
Prevention of Deforestation	98

SOCIAL IMPACTS AND HUMAN-ORIENTED ORGANIZATION

Human Rights	100
TEMSA Human and Organization Approach	102
Human Rights Practices	103
Compensation and Benefits	104
Employee Well-Being	105
Employee Development, Engagement, and Communication	107
Training and Development	108
Talent Management	111
Performance Management	116
Equal Opportunity, Diversity, and Inclusion	122
Women’s Participation in the Workforce	126
Board Structure	128
Social Impact Oriented Working Approach	129
Social Impact	130
Shared Mobility	139
Employee Health and Safety	140

APPENDICES

Corporate Memberships	145
Awards	148
Economic Performance Indicators	149
Social Performance Indicators	150
Environmental Performance Indicators	155
External Assurance Statement	158
GRI Content Index	161
UNGC Progress Index	171
Contact	172
Legal Notice	172

ABOUT THE DESIGN APPROACH

A journey is not merely about reaching from one point to another. A journey is a step taken toward the future.

Every step we take today reflects back to us in the mirror of a sustainable tomorrow.

At TEMSA, as we carry modern technology, nature-friendly solutions, and human-centered values into the future, we see each of our vehicles not only as a means of transportation but also as a reflection we leave on society and the environment.

Our contribution to sustainability shows how the steps we take today are mirrored in nature, in people, and in the future. Because we believe that whatever kind of world we want tomorrow, we must begin leaving that reflection today.

The main theme of this report is built upon precisely this **“reflection.”**

From the cover design to the subheadings, from the visuals to the messages, in every section you will see how nature, the city, people, and technology reflect one another.

We believe that sustainability gains meaning not only through the decisions taken but also through how those strategic decisions reflect on society, the environment, and the future.

The dynamism of cities, the serenity of nature, and the hopes of people—all find their reflections in the sustainable steps we take.

For us, sustainability means protecting today and building tomorrow from today.

We know that **the route we draw today determines the reflection of tomorrow.**



CHAIRMAN'S MESSAGE

KIVANÇ ZAIMLER
CHAIRMAN



Dear Stakeholders,

The year 2024 marked a critical turning point in Türkiye's industrial journey and in the transformation of the global mobility sector. In a period when the global economy was tested by uncertainties and energy markets by volatility, societies' demand for low-carbon, innovative and accessible transportation solutions came increasingly to the fore. An understanding of environmental responsibility and technology-driven transformation has become the main dynamic redefining the future of industries. As TEMSA, we were prepared for this picture. With our solid ethical values, our vision centered on innovative technology, and our agile way of working, we adapted rapidly to changing conditions. We closed 2024 with impact-oriented performance indicators and strong financial results. Our export performance delivered a historic record in our net-exporter position. With an export volume of USD 296 million and the net export contribution generated by this volume, we achieved a success more than five times that of the previous year. The role we assumed in advancing our country's value-added exports became one of the most important indicators for TEMSA. In addition, our export value per kilogram reached 13.6 times the Türkiye average, clearly revealing the difference we create both in efficiency and in high-technology-oriented production. Maintaining the same strong momentum, in 2024 we increased our revenue to TRY 17.6 billion. In dollar terms, we reached USD 500.2 million in revenue, the highest in our company's history.

We closed 2024 with strong financial results and growing competitiveness on a global scale.

As a brand rising from Türkiye, we carry our vision to different geographies of the world. Of the 139,000 vehicles we have produced to date, we have exported 17,000 to more than 70 countries, securing a strong position in the global mobility arena. The most important factor that made this success possible is the know-how and determination demonstrated by our capable teams. The fact that our young engineers take on duties on an international scale and that our vehicles reflect our own technology and design capabilities continuously advances our company's global competitiveness. We are concentrating our R&D investments in the fields of alternative-fuel vehicles, battery systems and advanced technology solutions. Supported by university-industry collaborations and international projects, these efforts enable innovative ideas to quickly turn into products. As a pioneer of the transformation in the mobility sector, we continue to develop solutions that make a difference.

We support this momentum in our global growth with our after-sales service network. We are strengthening our "Always by Your Side, On Every Road" commitment with new service points and enhanced Roadside Assistance services. Our 30-year FUSO partnership, award-winning customer-experience practices, and the electric eCanter model contribute to sustainable mobility; meanwhile, our after-sales services are becoming a strategic element shaping TEMSA's global brand value.

We structure our management approach within the framework of transparency, ethical values and accountability, and we prioritize building trust and creating sustainable value for all our stakeholders.

In our decision-making processes, which also shape our sustainability strategies and investment planning, we embrace the principle of double materiality and a risk-based integrated way of thinking. By evaluating financial, environmental and social impacts together, we shape our strategies in a balanced manner focused on responsible investments. Within this framework, we consider the impacts we create in the short, medium and long term in a holistic way. At the same time, we continue to develop our value-creation model and to continuously strengthen our corporate governance performance.

While managing our strategic priorities, we take into account important issues, trends and sectoral developments that affect the future of the planet and society. In this context, we address the risks and opportunities in our focus areas, such as climate change, energy management, responsible supply-chain practices and human-oriented development, with an integrated perspective. We make use of scenario analyses against climate-related physical and transition risks, and we evaluate investment opportunities in energy efficiency and renewable energy sources. As we put into practice the opportunities that reinforce our sustainability vision, we closely monitor avenues for access to sustainable finance. To transform our supply chain into a more resilient and low-carbon structure, we develop traceability systems, strengthen our cooperation with domestic manufacturers through localization efforts, and implement circular-economy business models.

CHAIRMAN’S MESSAGE

With our low-carbon product portfolio and our SBTi-aligned roadmap, we are implementing our sustainability strategy in global markets with measurable and reliable results.

As TEMSA, with our sense of responsibility and determination, we are building a robust corporate framework that supports both our sustainability performance and our financial success. In doing so, we present a corporate identity that can adapt to changing global dynamics, manage risks effectively, and convert opportunities into tangible value. We reflect this approach in our product portfolio as well, leading the green transition in global markets with our 11 zero-emission models. We shape our low-carbon roadmap within the framework of commitments aligned with the Science Based Targets initiative (SBTi), progressing with independent verifications and scientific methodologies. We manage all our sustainability activities within a structure that also includes our overseas operations.

We position human capital as the primary source of our competitiveness. In line with changing global dynamics and new-generation expectations, we run systematic programs to strengthen the employee experience, continuously develop our competency set in line with the needs of the future, and build an inclusive corporate culture where employees can safely realize their potential. We view corporate success as a structure completed by social contribution, and we base our entire strategy on an impact-oriented perspective of creating shared value. In addition, we manage all our processes within the framework of national and international compliance standards; we implement the principles of human rights, equality and business ethics at every stage of our value chain, from our employees to our suppliers.

“With our Kariyerde Engelleri Kaldırdık (Removing Barriers in Careers) project, we have been strengthening equal opportunity in business life for 10 years.

We continue to produce solutions for social issues through structures with multiple stakeholders that create lasting impact. Through our Kariyerde Engelleri Kaldırdık project, for ten years we have been transforming systemic and cultural barriers to ensure that individuals with disabilities can take their place fairly in working life. Believing that solidarity matters at every moment of life, we have continued our efforts since the first day of the earthquake disaster we experienced in 2023.

With the heartfelt contributions of every TEMSA employee, and under the umbrella of our Hayal Ortakları (Dream Partners) Association, whose work has grown and continued for 10 years, we support children’s access to safe spaces, education and play; with the TEMSA Children’s Playground in Hatay, we are laying the foundations for an environment that will raise future generations who dream freely, create, and are strong. We see young people’s ideas as the real force of transformation for today and tomorrow, and with this belief we resolutely maintain our contribution to the Sabancı Youth Mobilization. As TEMSA, we contribute to an ecosystem where young people are empowered in technology, innovation and entrepreneurship, and where they can bring their ideas to life.

With our TEMSA Agile Manifesto, we build our cultural transformation on a shared understanding and new-generation ways of working.

We closely follow technological developments together with the priorities of the era and the changing global and market dynamics. With our approach that leads change and transformation, the cultural transformation journey we have initiated represents a new-generation approach that prioritizes TEMSA employees learning together, producing together, and developing together. Published in 2024, our TEMSA Agile Manifesto clearly sets out how we communicate, how we work, and how we deliver value to our customers within the TEMSA culture, thereby creating a common basis of understanding and behavior across TEMSA.

At the center of our strategy, shaped by our sense of responsibility toward people, nature and technology, are strengthening our position in selected markets; differentiating with our innovative product portfolio; restructuring our supply chain for a sustainable future; expanding our value chain through collaborations in urban mobility; and making Türkiye a global innovation hub. We prioritize being a brand that is by our customers’ side on every journey and that shapes the transportation of the future today with high-technology solutions.

Since 1968, on this journey as one of the pioneering companies of value-added industry, I extend my thanks to all our employees who, with their effort, belief and support, have added value to TEMSA’s strategies and to our Sustainability Report, which we published for the fifth time this year, as well as to our employees’ families, our business partners and our stakeholders.

Sincerely,

Kıvanç Zaimler,
Chairman

CEO'S MESSAGE

EVREN GÜZEL
CEO

Dear Stakeholders,

In 2024, as geopolitical tensions, rising financing costs and uncertainties took shape, climate change, economic volatility and social transformations redefined the responsibilities of the business world. In this environment, the capacity to remain agile and to develop innovative solutions in the face of tightening regulations and changing customer expectations became critical for companies. Despite all challenges, the world economy regained momentum with the resilience it displayed and the increase in trade volume. During this process, climate-related issues and international cooperation stood at the center of the agenda, while the COP29 meeting held in Baku made climate finance one of the top items of global discussion. These global transformations brought responsibility and the understanding of value creation to the fore in business. As TEMSA, we are among the pioneers that recognized this transformation early and that steer towards the needs of the future.

In our Sustainability Report, which we publish for the fifth time this year, we share our vision, our impact-oriented achievements and our commitments. In the report, we also present a comprehensive assessment that covers the performance of TEMSA's overseas operations.

Delivering record revenue and export performance with the momentum achieved in international markets.

In 2024's globally challenging environment, TEMSA demonstrated steady growth with its deep-rooted experience, robust strategy and capable team. Compared to 2020, we increased our revenue in dollar terms by 320 percent in four years, reaching approximately 500 million dollars, thereby achieving the highest dollar revenue in our company's history.

We carried this growth momentum to global markets. We recorded growth of 49 percent in the United States, 32 percent in France and 54 percent in Western Europe, reaching all-time high sales figures. In France, we delivered our 6,000th vehicle, marking an important milestone. Today, in France, where the highest number of TEMSA vehicles in Europe are in service, we are among the top three manufacturers in the intercity segment. In Spain, we have increased our sales fivefold since 2022. In Romania, we led the green transition by increasing our total export volume in units by 79 percent in 2023 and 2024. To date, we have produced approximately 139,000 vehicles, of which 17,000 have been exported to more than 70 countries, making us one of Türkiye's strong representatives globally. In 2023, we increased our export revenues by 92 percent compared to the previous year to 182 million dollars, and in 2024 this success was recognized with the Golden Exporter Award of the Automotive Industry Exporters' Association. In the "Türkiye'nin İlk 1000 İhracatçısı 2024" study conducted by the Turkish Exporters Assembly (TİM), we rose 67 places to rank 81st.

Customer-centric journey carrying TEMSA to record-setting growth.

We support our global growth with the strong customer ecosystem we have built. We are embodying our "Always by Our Customer's Side, On Every Road" commitment with seven new service points activated at critical locations in Europe, our renewed roadside assistance services, and our global call center providing solutions in 27 languages. We aim to continuously improve customer satisfaction across our entire value chain, from the supply chain to after-sales services.

We have advanced our 40-year collaboration with Mitsubishi FUSO through the electric eCanter as a result of our sustainability-oriented efforts. With the eCanter that we have introduced to the Turkish market in five different models, we have expanded our zero-emission portfolio to 11 models, leading the electric transformation of the light-truck market. With the innovative approach brought by the eCanter, we are making significant contributions to the sustainable transformation not only of the transportation sector but also of Türkiye's key sectors such as public services, construction, food and retail. Within the scope of our collaboration, the work we carry out as the official distributor of FUSO Canter in Türkiye and the production we undertake have turned into a global success story in technology and customer centricity, earned the Excellence in Customer Services for Uptime Management 2023 award, and were adopted by FUSO worldwide as a model practice.

Shaping the mobility of the future through R&D and innovation investments.

As TEMSA, in 2024 we allocated 78 percent of our R&D and innovation spending directly to sustainability-oriented projects, steering the mobility of the future. We supported these projects with a broad collaboration network ranging from universities and research centers to industrial partners and other stakeholders. As one of the first companies in Türkiye to receive R&D Center certification, we maintain our leadership in electrification and battery technologies. We develop Türkiye's first domestically produced electric bus, work on alternative-fuel technologies, and implement micromobility solutions. Bringing Europe's first intercity electric bus to life is among the strongest steps shaping this journey.

CEO'S MESSAGE

The battery-pack assembly plant we opened in 2021 within our Adana factory powers our electric vehicles; the battery systems we have developed now go beyond road transport to offer solutions for the maritime, agriculture and energy-storage fields. To carry this technology base further on a global scale, in 2024 we applied to six projects under Horizon Europe focused on Mobility Solutions and Renewable Energy.

We attach importance to sharing our technology journey, strengthened through R&D efforts and international collaborations, with our stakeholders. In this context, at TEKNOFEST 2024, where we shared our electrification vision with broad audiences, we introduced not only our domestic battery technologies but also the eQuad vehicle we manufacture. We believe a sustainable future cannot be achieved without the innovative perspective of young people. Accordingly, through our *Seninle İyi Gelecek* (A Better Future with You) event, we brought young people together with industry leaders and supported them in developing innovative ideas, and we continue to contribute to the Sabancı Youth Mobilization with our belief in the transformative power of youth.

Supporting our future-shaping achievements with our sustainability strategy.

Enhancing our ability to adapt to the climate crisis and reducing our carbon footprint remained among our priorities in 2024. With our Climate Action Plan, an industry first, and published for the second time this year, we set out our impacts and targets transparently.

In addition, by participating in the Ministry of Industry and Technology's Green Deal Compliance Support Project, we took a further step in our sustainability journey. We are progressing toward our goal of low-carbon transformation across the entire value chain by 2050. Under our roadmap aligned with SBTi sector-specific guidance, we commit, relative to the 2021 base year, to reduce Scope 1 and 2 emissions by 68.6 percent by 2030, and by 90 percent by 2050; to have our entire product portfolio be zero-emission vehicles by 2040; and, relative to the 2023 base year, to reduce Scope 3 emissions by 97 percent per passenger-kilometer by 2050. We aim to achieve net-zero greenhouse-gas emissions across the value chain by 2050. Relative to the 2022 base year, we plan to reduce water consumption by 42 percent by 2030, reach a zero-waste target by 2045, and ensure 50 percent circular flows by 2050. We support our carbon-reduction efforts with biodiversity and circular-economy projects; in 2024 we completed the first-phase report of our Carbon Sink Creation Biodiversity Project.

With the double materiality analysis we implemented for the first time in 2024, we assessed the environmental and social impacts of our activities together with how climate change, regulations and market dynamics are reflected in our financial results. This approach enabled us to identify risks and opportunities that will affect our future at an early stage. We are in a period in which global regulations are transforming business. We follow closely such regulations as the European Union's Fit for 55 Package, the Carbon Border Adjustment Mechanism (CBAM) and the EU Taxonomy. In Türkiye, the Türkiye Sustainability Reporting Standards (TSRS) consider sustainability- and climate-focused impacts together with financial impacts, making companies' performance more comparable internationally.

All these developments require a stronger and more responsible strategic approach at every stage of our value chain. In support of this understanding, through our IMPACT Sustainable Supplier Development Program we monitor our suppliers' sustainability performance. We implement and disseminate our sustainability targets throughout the value chain. For our practices in social compliance, we have undergone SMETA audits conducted by independent third parties.

Human-oriented corporate culture strengthening employee well-being and social impact.

We believe that the force that will drive transformation in the 21st-century business world is possible through an understanding that puts people, values and meaning at the center. In 2024, with our human-oriented approach, across an impact area extending from our employees to society, we strengthened the employee experience, increased organizational agility, advanced our projects focused on inclusion and equal opportunity, and took steps that embed social benefit into our corporate culture. Within the development program we carried out in 2024, we empowered our teams on social impact, social innovation, inclusion and sustainability communication, and created a basis for co-creation. In 2024, we delivered 46,958 hours of training to our employees and invested TRY 11.2 million in employee development. Of those who joined our team in 2024, 76 percent were young people under the age of 30. As an indicator of our approach that sees young people as today's transformation leaders, we were selected by Yinkader as the "Favorite Company of Young Talents." Starting the employee experience from the very first point of contact, we strengthened our OnWays orientation platform, part of our digital-transformation vision, with metaverse integration and AI-supported content.

Through our NextGen MBA, GrowForward and ZeroTech Academy programs, we are building leadership capacity and carrying our competencies in electric-vehicle technologies into the future. Alongside our long-standing sports sponsorships, we launched a new partnership with Kafa Radio. With the live-broadcast bus we designed as TEMSA, we are increasing engagement with culture and the arts across Türkiye. Our Powerful Women of Automotive (Otomotivin Güçlü Kadınları) Project won two international awards this year at the Stevie Awards for Women in Business. Within our C4Edu project, developed for equal opportunity in education, we transformed waste into STEM laboratories and provided children in village schools with access to science and technology. We created a circular financing model for the project by using revenues from our TEMSA ART project to procure laboratory materials for under-resourced schools. To support children's well-being in disaster-affected areas, we made our social-contribution journey with the Hayal Ortakları Association, which has continued for 10 years, concrete this year with the TEMSA Children's Playground we established in the earthquake zone. In the 10th year of our Removing Barriers in Careers (Kariyerde Engelleri Kaldırdık) Project, designed in line with our equal-opportunity approach, we continue to pursue our goal of creating an inclusive working ecosystem in business life with determination.

I would like to thank all our stakeholders who contributed to this report, prepared through the dedication of our teams who work resolutely for sustainability and guided by our vision, and to our progress toward our sustainability goals and strategies.

Sincerely,
Evren Güzel
CEO

ABOUT OUR REPORT

As Temsa Skoda Sabancı Ulaşım Araçları A.Ş. (TEMSA), we share our environmental, social, and governance (ESG) performance through our sustainability report¹, now in its fifth edition. We prepared this report for the January 1 to December 31, 2024, reporting period in alignment with the Global Reporting Initiative (GRI) 2021 Standards. We also present our progress under the United Nations Global Compact (UNGC) and our contributions to the United Nations (UN) Sustainable Development Goals (SDGs) in line with our sustainability priorities. We considered IFRS S1 and S2 and Türkiye Sustainability Reporting Standards (TSRS 1 and TSRS 2). We considered the Carbon Disclosure Project (CDP) Climate Change and Water Security guidance, directions from the Science Based Targets initiative (SBTi), and the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). We also closely follow frameworks that will shape our future reporting, such as the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

¹There are no restatements relating to the previous year within the content of our report.

Double Materiality Analysis and Risk-Based Approach

In setting our sustainability priorities, we considered the GRI Standards, the indicators of the Sustainability Accounting Standards Board (SASB) 2018 Automobiles Standard², stakeholder input, trends and megatrends, our strategic objectives, and national and international sustainability developments.

We revised our materiality analysis reflecting stakeholder views on materiality topics during the reporting period, in line with the double materiality approach. In this context, we also assessed the potential effects of climate change, resource use, social dynamics, and governance practices on our company’s financial performance.

The risk-based mindset integrated into this methodology enables us to systematically evaluate potential risks and opportunities across all our processes, from the supply chain to production, and from sales and marketing activities to the implementation of innovative technologies.

²These indicators cover, in addition to standard passenger cars, public transport vehicles, light trucks, and motorcycles.

Structure and Scope of the Report

Our report presents, in detail, TEMSA’s sustainability approach, corporate governance framework, the risks and opportunities evaluated across all processes, and how emerging technologies are integrated into our areas of operation. Within our value creation model, the impacts we generate, along with the performance indicators and goals under the environmental, social, and governance pillars, are shared in the ➤ **Annexes** section in a manner that is transparent, reliable, and comparable with previous periods for our stakeholders.

In our report, alongside our sustainability performance, we comprehensively present the 2024 results of the good practices we have successfully implemented over the years.

This report, without any limitation, covers all our operations across a broad range, from the activities at our production facility in Adana to our domestic and international sales and marketing activities. In this way, we aimed to present our holistic, integrated, and risk-based mindset in the field of sustainability; our strong performance in this field; and our value-creation-focused impacts.

Sustainability-Oriented Assurance and Transparency

Selected environmental, social, and economic performance indicators aligned with our sustainability goals were subjected to independent assurance for 2024 in accordance with the International Standard on Assurance Engagements (ISAE 3000 Revised) and verified. In addition, our greenhouse gas emissions data underwent a separate assurance process in accordance with the internationally recognized ISO 14064 standard. Furthermore, our practices within the framework of ethical trade and social compliance were assessed through an SMETA audit. You can share any feedback, suggestions, and contributions regarding the report with us at surdurulebilirlik@temsa.com.

Reporting Guide

➤

• Provides guidance to external information sources

➤

• Provides guidance within the report.

🏠

• You can navigate to any section of the report using the navigation menu located at the top of each page.

▶

• You can watch the related videos on each page with the play button.

➤

• All headings on the table of contents page lead to relevant sections.

CORPORATE PROFILE



VISION, MISSION AND VALUES

With the vision of being a human-oriented technology company that delivers sustainable mobility solutions, and through our increasing circular business model practices, **we aim to achieve net-zero greenhouse gas emissions by 2050.**



STAY CONNECTED TO LIFE

Our mission is to be a human-oriented technology company that delivers smart and sustainable mobility solutions for more enjoyable journeys worldwide.

Sustainability Vision

To be a values-driven company that views technology and digital as the keys to a sustainable life; that adopts scientific approaches as a core criterion in combating the climate emergency; and that prioritizes the shift from words to action.

Sustainability Mission

Our mission is to be a values-driven mobility company that embraces sustainability with all elements of ESG and prioritizes creating lasting benefit for the world and humanity.

Targets

- To become the world’s leading mobility company,
- To be one of the world’s leading customer-oriented enterprises,
- To design tomorrow’s next-generation mobility solutions, and
- To create solutions through innovation.

As one of the world’s leading bus-and-midibus manufacturers, we **deliver state-of-the-art mobility solutions to our customers with over 50 years of experience.**

ABOUT TEMSA

SMART MOBILITY SHAPING THE FUTURE



Operating under the joint ownership of Sabancı Holding and PPF Group, TEMSA ranks among the world’s leading brands in the manufacture of buses, midibuses, and light trucks, and continues its activities with the vision of the electrification of mobility.

Operating since 1968 as one of the pioneering companies of value-added industry, TEMSA can produce a total of 10,000 vehicles per year in a single shift at its factory in Adana covering 510,000 square meters, with more than 1,700 employees: 2,000 buses, 2,000 midibuses, and 6,000 light trucks.

To date, TEMSA has manufactured 139,000 vehicles and exported more than 17,000 vehicles to 70 countries worldwide, including France, Germany, the United Kingdom, Italy, Austria, Sweden, Belgium, Spain, and Lithuania in Europe, as well as the United States, Canada, and various Turkic republics.

The company operates in sales and aftersales services through its own dealer and service network spanning 23 countries across 4 continents. TEMSA is the only Turkish company present in the bus segment of the U.S. market and holds the distinction of being Türkiye’s first R&D Center.

TEMSA manufactures Maraton and Safir for intercity passenger and tourism transportation; Avenue and Prestij for urban and short-distance public transport; TS35, TS30, and TS45 for the U.S. market; and, for the European market, the MD9, Avenue, and LD SB models.

Through its collaboration with ASELSAN, TEMSA produced Türkiye’s first domestically manufactured electric bus; in 2022, it put Europe’s first electric intercity bus into service. In addition to a zero-emission vehicle portfolio comprising more than 10 different models, TEMSA also develops battery cells and battery packs for its electric buses at its Adana facility.

With Prestij, which it first produced in 1992 and reintroduced to the market in 2025 with a new design, TEMSA has led the development of short-distance transportation in Türkiye and is also transferring its expertise in battery technologies to other lines of business, such as maritime and agriculture. In line with its goal of electrifying mobility, TEMSA has developed innovative products in the electric light commercial vehicle category, such as e-Canter and eQuad, and is Türkiye’s only battery-pack manufacturer to hold Türk Loydu (an IACS member) certification in the maritime field.

Thanks to its circular business model practices, the company aims to achieve net-zero greenhouse gas emissions by 2050, and as a result of its sustainability-oriented efforts, TEMSA was included, in its first year of application, on CDP’s Climate Change A-List and Supply Chain A-List.



Factory on a
510,000 m² site



Over **1,700**
employees



4,000 buses
and midibuses



6,000
light trucks

PRODUCTS TAILORED TO YOU WIDE PRODUCT RANGE

At our factory, we produce Maraton and Safir intercity passenger and tourism coaches, Prestij midibuses, and Avenue buses for urban public transportation, as well as TS35, TS30, and TS45 for the U.S. market and Avenue, LD, and, in the Midi Coach segment, MD9 buses for the European market. With our vision of being among the game-changing companies worldwide in electric vehicles and backed by the technology strength and know-how of our sister company Skoda Transportation, we continue to export electric vehicles to cities that rank at the top of Europe’s sustainability league.

OUR MILESTONES

1968	1984	1987	1992	1999	2001	2007	2008	2010	2013	2014
Establishment of TEMSA	Establishment of a technical support contract with Mitsubishi and commencement of the licensed product distributorship	Production of the first Maraton-branded bus	Production of Prestige Midi-bus and Canter trucks	Commencement of exporting to France	Commencement of exporting to the rest of Europe	<ul style="list-style-type: none">Opening of TEMSA Germany office (TEMSA Deutschland)The first automotive company to be accepted into the Turquality program	Commencement of exporting to US	Entering the North American market for the first time in 2010 with the TS35 model	<ul style="list-style-type: none">Launch of Avenue articulated and CNG vehiclesSeparation of TEMSA Global (Transportation Vehicles), TEMSA Motor Vehicles, and TEMSA Heavy Equipment	First TS45 sale to the US
2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
<ul style="list-style-type: none">Launch of the eCanter electric truckMarket launch of the TEMSA battery packStart of the TEMSA Biodiversity ProjectDelivery of the science laboratory established using our non-hazardous industrial materials to Dağcı Middle School through our Circular Impact for Education (C4Edu) projectAcceptance into the Responsible Green Deal Compliance Project Support program	<ul style="list-style-type: none">Joint Development Agreement with CaetanoBus for intercity hydrogen-powered busesOpening of TEMSA IT&AR-GE Teknokent Fusion Lab, a first in the sectorAcceptance of two projects at Horizon Europe: EBRT2030 & REEFLEXObtainment of Türkiye’s first bus EPD document for Avenue Electron	<ul style="list-style-type: none">Signing UN Global CompactParticipation in SBTiFirst Electric Vehicle Production for the US Market - TS45EEurope’s first electric intercity bus - LDSBE	<ul style="list-style-type: none">Silver Award at EcoVadis 2021 Sustainability PlatformElectric bus export to the Czech Republic and Romania	<ul style="list-style-type: none">Incorporation of TEMSA into Sabanci Holding and PPF IndustryCo (primary partner of Skoda Transportation)TEMSA’s first electric vehicle export (First electric bus export to Sweden)With the cooperation of ASELSAN, Türkiye’s vehicle production with the highest local rate	<ul style="list-style-type: none">Incorporation of TEMSA into True Capital PartnersEstablishment of TEMSA France (TFR SAS)	Establishment of TEMSA North America	<ul style="list-style-type: none">Launch of Avenue Electron, LD SB Plus, and new MD9Completion of Phosphate Cataphoresis PlantObtained an Authorized Economic Operator Status certificateCommissioning of the first TEMSA Robot (Camgöz)	<ul style="list-style-type: none">Commencement of TEMSA Smart 2020 studies carried out within the scope of industry 4.0Production of the first domestic electric bus, Avenue EVOpening of Markerlab	<ul style="list-style-type: none">Establishment of the R&D design officeLaunch of the first electric vehiclesMD9 electriCITYMarathon, the first vehicle in the SHD segmentThe first smart bus Avenue IBUS	

TEMSA SUSTAINABILITY REPORT - 2024

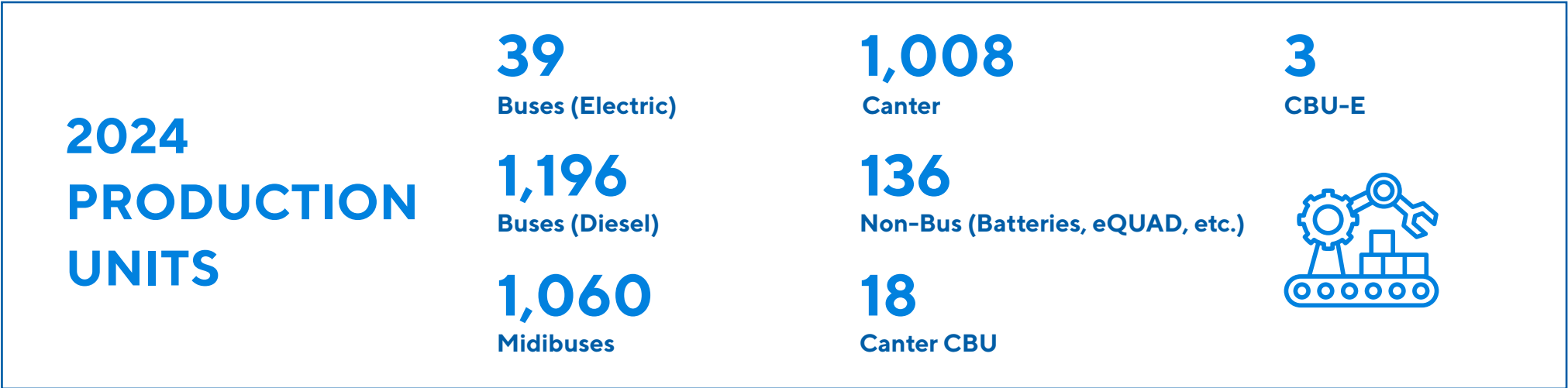
12

OUR PRODUCTS AND SERVICES

TEMSA PRODUCT RANGE

At TEMSA, in addition to public transportation vehicles such as buses and midibuses, we also manufacture light trucks. We also produce, in our own facilities, the batteries and battery packs for the electric buses we first brought to market in 2020.

We support our customers in the after-sales phase and provide a range of after-sales services to deliver a high-quality customer experience. We update our product and service portfolio in line with changing conditions and evolving global trends.



OUR PRODUCTS AND SERVICES

BATTERY TECHNOLOGIES

Changing economic conditions and shared industry trends make innovative approaches essential, from the design of new vehicles to the development of suitable battery solutions, and from software infrastructure to business models. In this period of rapidly rising global demand for renewable energy sources, we implemented a different way of working in 2021 and developed our own battery technology. Designed with TEMSA's engineering strength, our first battery pack stands out for being lightweight, durable, and highly energy efficient. Certified to the EU's ECE R100 v2 and ECE R10 v5 standards, the system offers greater power output capacity despite its compact size. Thanks to smart card technology developed by TEMSA engineers, the battery management system ensures high efficiency and extends cell life, delivering safe and sustainable energy management.

With an approach that focuses on innovation, quality, and customer satisfaction at every step, we offer a mobility experience that carries its energy into the future and delivers its service safely.



TEMSA AFTER-SALES SERVICES (ASS)

We deliver our after-sales services across four areas: quality management, E-Systems, roadside assistance, and spare parts, supported by our innovative mobility solutions, our authorized service network, and our commitment to quality service. With user-friendly, efficient, safe, accessible, and state-of-the-art services provided by our after-sales teams that are with you anytime, anywhere in the world, we deliver customer satisfaction at the highest level. At TEMSA, we aim to maximize the quality of after-sales services. In this context, we carried out a comprehensive process planning initiative in 2024. Through efforts such as presentations and briefings, product-based training videos, field campaigns, and technical training sessions, we sought to offer both superior quality and an excellent customer experience in after-sales services.

Excellence Award for TEMSA After-Sales Services' Innovative and Customer-Centric Approach

As FUSO Canter's distributor in Türkiye for over 30 years, we won the Excellence in Customer Services for Uptime Management 2023 award in 2024 with the innovative project we developed in after-sales services. The system we implemented in Türkiye was introduced at FUSO's global meeting as a "exemplary practice" and was recommended to other countries. Thanks to this system developed by our engineers, the real-time status of vehicles can be monitored; in the event of a potential malfunction, teams can be dispatched rapidly without requiring notification from the customer. In this way, we offer our customers advantages in operational uptime, time, and cost.



"Always with Our Customers, Anytime and on Every Road" Approach

At the Authorized Service Centers Meeting held in Istanbul, we shared our 2024 strategies with nearly 60 of our service partners from across Türkiye. At this gathering, it was emphasized that customer centricity is not limited to vehicle manufacturing and sales; after-sales services are a fundamental driver of trust, sustainable value, and customer satisfaction. With the understanding that the TEMSA experience is a holistic journey spanning manufacturing, sales, and after-sales, we see being at our customers' side at the moment they need us most as the strongest indicator of the support we provide and our value-driven mindset.



OUR PRODUCTS AND SERVICES

Sustainable and Strong Growth Through Our Service Network

In recent years, as we have rapidly expanded our vehicle parc in Türkiye and around the world, we have also strengthened our after-sales service network. With 65 authorized service points across Türkiye, we are among the industry leaders. We commissioned new service centers in Istanbul and Izmir, while expanding the scope of services at our Öz İkişler location in Kocaeli. We also opened seven new service points in six countries, including the United Kingdom, Belgium, and Germany, further extending our international service network.

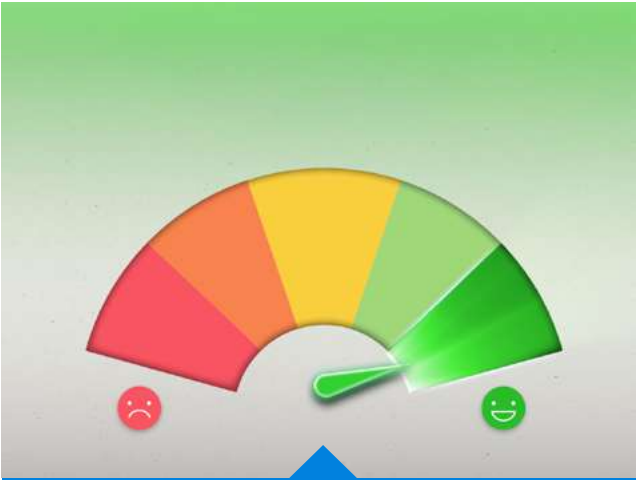


Ever Forward with the TEMSA Call Center

In 2024, the answer rate for calls to our call center reached 96%, and 84% of calls were answered in under 20 seconds. At our international call center, which provides service in more than 23 languages, the initial answer rate reached 92%, and 94% of calls were answered in under 20 seconds.

TEMSA Fleet

With TEMSA Fleet, we increase the value of our vehicles, support our sales, and strengthen customer loyalty in after-sales services. Going beyond the solutions offered by standard telemetry systems, TEMSA Fleet provides comprehensive data such as diagnostic messages, tire-pressure warning sensors, and driver behaviors. By providing our customers with a total of 55-60 different data sets and supporting this information with visual reports, we deliver more efficient, safer, and more sustainable solutions in fleet management.



Developments in the Service Performance Report Card

To track the performance of our service partners more effectively, we made significant improvements to the Service Performance Report Card. Since 2023, the monthly scorecards have been completed within two days, and critical points such as process speed, spare-parts availability, complaint reviews, and vehicle sales have been reviewed. In addition, by adding monthly vehicle-sales integration, we enabled a more aligned evaluation of sales data and service performance.

OUR PRODUCTS AND SERVICES

Authorized Service Audits Focused on Customer Satisfaction and Enhanced Quality

To maximize customer satisfaction and quality standards, we regularly evaluate and monitor the performance of our authorized services through audit processes initiated in 2023. In 2024, through external audits, we conducted a total of 40 TEMSA Standards and 5S audits at 25 of our service locations. The audits included questions addressing critical operational processes such as facilities, corporate identity, customer areas, and documentation, as well as 5S focus areas such as workshops, customer reception areas, spare-parts and warranty areas, and parking and vehicle-parking areas. We also delivered 5S and audit training for our regional managers, aiming to improve the quality of the audit processes and to identify areas for improvement more effectively.

TEPS by TEMSA

TEPS by TEMSA (TEMSA Equivalent Parts System) combines high quality standards with competitive pricing to sustain the long-term performance of vehicles whose warranties have expired. To carry the success, we achieved domestically to global markets, we increased brand awareness through a logo refresh and comprehensive promotional activities. With a portfolio of 553 parts, TEPS accounted for 25% of our sales in Türkiye and achieved a 67% year-over-year revenue increase in TL terms. We also strengthened customer satisfaction through promotional activities that reached 14,750 users and through implementations that made our brand more visible across our service network.



Shift-up! Service Process Strengthening Program

To increase customer satisfaction and elevate service quality, the Shift-Up! Service Process Strengthening Program has been implemented. Through a six-step process that covers appointment booking, preparation and parts reservation, customer reception, work-order tracking, vehicle delivery, and post-service follow-up with a satisfaction call, services are delivered end-to-end in a transparent, swift, and customer-oriented manner. Another key component of the program is the launch of a technician certification program to enhance the technical knowledge and competencies of service teams. In addition, a comprehensive training strategy for 2024 has been prepared, and an export training strategy has been established within TEMSA Academy. Alongside the new service processes, pilot implementations were launched, and continuous improvement efforts were initiated based on the data obtained from these pilots.

“Technician Training” Program for TEMSA Authorized Services

To train qualified employees for TEMSA Authorized Services, we visited 18 schools in Istanbul, Adana, and Izmir and established connections. The scope will be expanded to include Ankara and Bursa in the coming periods, and trainings will be delivered.



OUR PRODUCTS AND SERVICES

Deployment and Enhancement of DDS/PWT Systems

To increase customer satisfaction and accelerate service processes, the DDS and PWT projects were launched. With the DDS system, parts sales for insured vehicles have been supported, making it possible to deliver spare parts quickly and directly to repair points. The PWT system has supported more effective repair of critical components such as engines and transmissions at service locations, aiming to increase service intake.

Digitization of Reporting Processes

To increase efficiency in reporting processes and ensure data accuracy, Power BI integration was implemented. As a result, reports have been automated, errors arising from manual processing have been reduced, and processes have been significantly accelerated. Critical reports such as the DPSM Stock Report, Fleet Support Payment Report, Affiliate BO Report, Oil Sales Report, Spare Parts Purchasing Report, and Spare Parts Planning Report have been made accessible through a single digital platform.

T-PASS TEMSA Supplier Portal and Digitized Spare Parts Processes

Brought online to make procurement processes more efficient and traceable, the T-PASS TEMSA Supplier Portal has fully digitized spare parts procurement end to end, minimizing time losses and errors stemming from manual tasks.

TÜSİAD Project Award

As TEMSA, with our project that supports digitization and innovation in spare parts business processes, we won the “Value-Added Achievement” award and the “Lenovo Jury Special Award” under the TÜSİAD Industry Digital Transformation Program.

International Developments and Partnerships

We continue to strengthen our growth in Europe. With our latest deliveries, the number of TEMSA vehicles in France has reached 6,000, making the country the market where the most TEMSA vehicles are in service worldwide. At the AutoCar Expo Fair held in Lyon between December 3 and 6, we showcased safe and sustainable mobility solutions. With the LD SB E, the first electric intercity bus, we are further strengthening our presence in France.

We have become one of the three largest manufacturers in the intercity segment in the French market.

We continue to rapidly expand our investments in electric buses on a global scale. While successfully putting our electric buses on the road in markets such as Sweden, France, Spain, and the United States, we are also among the pioneers of the green mobility transition in Eastern Europe. In this context, in 2024 we exported a total of 8 MD9 electriCITY units through three separate shipments to various municipalities in Romania. We view this step as an important reflection of TEMSA’s vision to extend sustainable transportation solutions across a broader geography.

With our overseas dealer and service network, after-sales services, and customer-oriented initiatives, we continue to create lasting value on a global scale. We added 7 new service locations across 6 countries, including developed economies such as the United Kingdom, Belgium, and Germany.

With 10 different zero-emission vehicle models we have developed, we rank among the world’s leading manufacturers, and under our agreement with France-based B.E. Green, 8 LD SB E electric buses we produced were used for spectators’ urban transfers during the Paris 2024 Olympic Games. The presence of the LD SB E, Europe’s first electric intercity bus, at this global event is a significant indicator of the contribution we deliver to sustainable mobility solutions through international collaborations.



OUR OPERATIONS AND MARKETS

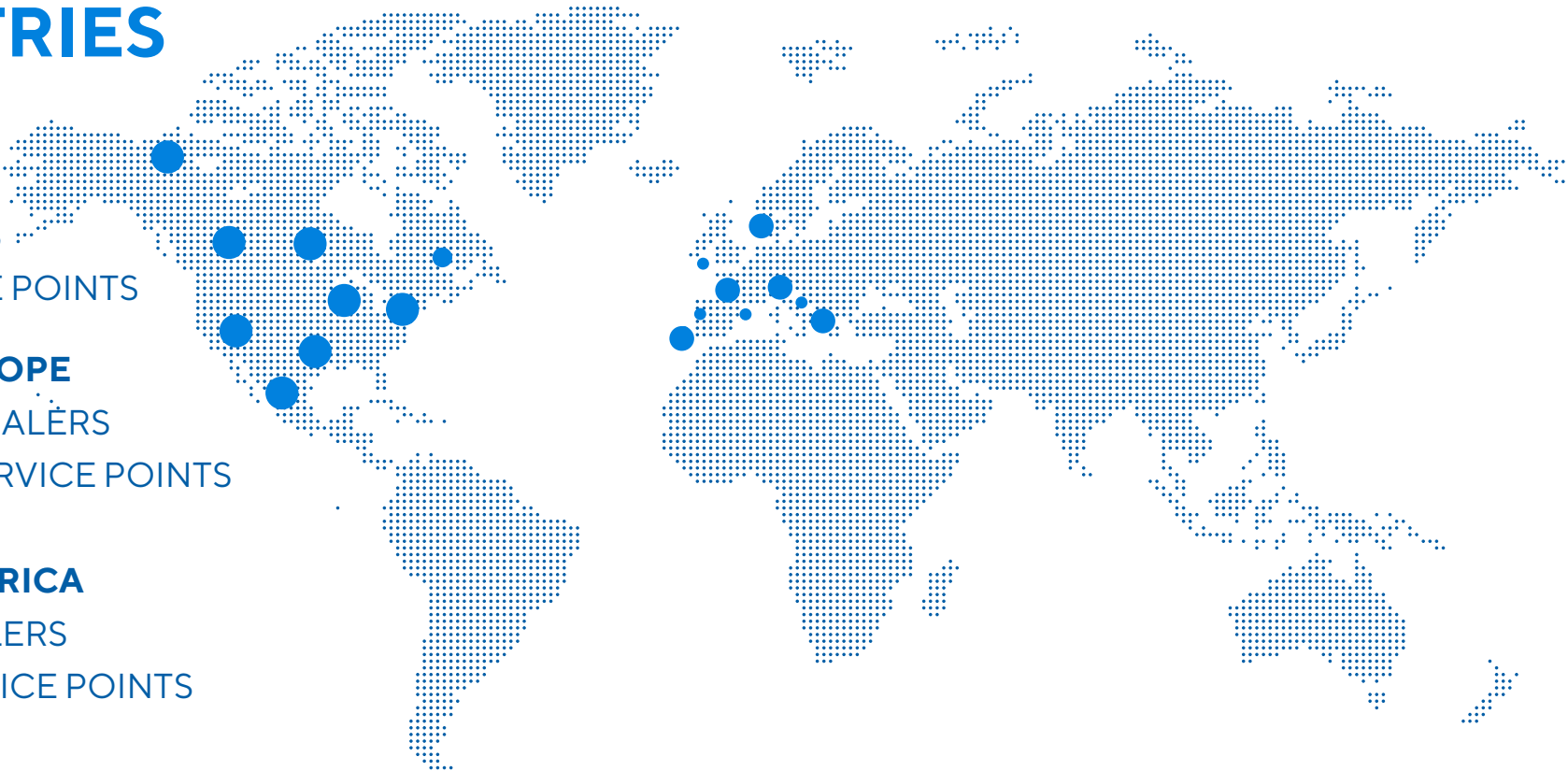
We are increasing our market share both domestically and internationally with the environmentally friendly and smart mobility solutions we develop. We manage our overseas operations from three countries through our offices in the United States, France, and Germany.

We export the vehicles we produce to various European countries such as France, Germany, the United Kingdom, Italy, Austria, and Sweden, as well as to the United States and various Turkic republics. Today, TEMSA vehicles are on the road in 70 countries, primarily in the United States and Europe. We offer our international customers a broad range of services from pre-sales to after-sales, including service capabilities and spare parts. As TEMSA, we operate across 4 continents in 23 countries. In Türkiye, we serve our customers with 14 dealers in 10 cities and 59 service points in 39 cities; in the EMEA and Europe region, with 22 dealers in 20 countries and 42 service points in 23 countries; and in North America, with 2 dealers in 2 countries and 4 service points.

By combining our production strength in Türkiye with our global dealer and service network, we stand out as a trusted brand worldwide.

4 CONTINENTS 23 COUNTRIES

- TEMSA TÜRKİYE
10 CITIES 14 DEALERS
39 CITIES 59 SERVICE POINTS
- TEMSA EMEA & EUROPE
20 COUNTRIES 22 DEALERS
23 COUNTRIES 42 SERVICE POINTS
- TEMSA NORTH AMERICA
2 COUNTRIES 2 DEALERS
2 COUNTRIES 4 SERVICE POINTS



STRATEGY AND MANAGEMENT



STRATEGIC PRIORITIES

We recognize that digitalization is one of the most powerful transformation dynamics shaping the world. By combining this change with sustainability, we run responsible, robust and agile operations.

We position our employees, suppliers and entire value chain as strategic partners in this process, and we attach importance to reflecting our stakeholders’ active participation in strategy and their views into our processes.

In our strategic roadmap, which takes sustainability and digitalization as foundational, we proceed with approaches embedded in TEMSA’s DNA such as respect, transparency, solution focus, passion and ownership, responsibility, process orientation, speaking with data and agility.

Our priorities are to meet customers’ quality expectations, increase efficiency in operations and across all processes, adhere to project plans, manage cash and working capital effectively, and achieve electric-vehicle sales targets in our target markets. Within our strategy wheel, which encompasses people, operational excellence and efficiency, we also position evaluating new opportunities, being prepared for the future, and sustainable and profitable growth among our focus areas.

The activities and projects we carry out with our motto “Always Together, on Every Road” are discussed in detail in different sections of our report in line with this strategic perspective. The priorities and focus areas that make up our strategic roadmap and that we have set to achieve our targets are summarized visually in the Strategy Wheel.

With the philosophy of “**Always Together, on Every Road**” we shape our strategies through a people-centric, data-driven, and agile management model.



SUSTAINABILITY MANAGER'S MESSAGE



Kerem İpek
Sustainability Manager

The multiple crises the world faces, such as the climate crisis, the rapid depletion of natural resources and social inequalities, make the need for transformation at a global scale clearer than ever. The IPCC reports published in 2024 and the international agenda once again showed that companies are measured by the value they create for the planet and society. As TEMSA, acting from this global reality, we embrace sustainability as a strategic roadmap and advance with concrete, measurable targets for the future.

With our agile, innovative and technological approaches, we shape our sustainability journey; with our human-oriented strategy wheel, we aim to create long-term value and deliver lasting benefit to society. In line with our sustainability vision and mission, while fulfilling our responsibilities we structure all our lines of business in harmony with our sustainability targets. By closely following national and international trends, we manage sustainability with an integrated approach that extends from strategic planning to supply-chain management.

As a value-oriented mobility company that prioritizes producing lasting benefit for the world and for humanity, we are taking strong steps across a wide spectrum, from energy management and water efficiency to social sustainability, biodiversity and product impact analysis. We completed our energy transition by switching to **100% renewable energy use at our production site**. By conducting cradle-to-grave life-cycle analyses for our Avenue Electron vehicle and obtaining the **EPD certificate**, we set out the environmental impacts of our products transparently. By launching the **TEMSA Biodiversity Project**, we successfully completed the first phase of the TEMSA Adana Campus Carbon Footprint Reduction and Carbon Sink Creation Biodiversity Project. By 2026, we will complete the second phase of this project and implement nature-based solutions that support biodiversity. In addition, we published our [Biodiversity Impact Report](#), sharing our impacts in this scope in detail.

We have set out our global emission-reduction activities clearly with our **SBTi-approved targets**. SBTi approval is a strong reference point confirming that TEMSA's emission-reduction plans are aligned with scientific data and are progressing in line with the global 1.5°C climate target. Accordingly, relative to the 2021 base year, we commit to reduce our Scope 1 and Scope 2 emissions by 68.6% by 2030 and by 90% by 2050. We also aim to reduce Scope 3 emissions arising from purchased goods and services and from the use of sold products by 97% per passenger-kilometer by 2050 relative to the 2023 base year. These targets encompass the transformation of our entire value chain, from our suppliers to our customers. We track our progress in this scope through [our Climate Action Plan](#), which is a first in our sector.

By expanding the scope of our sustainable supply-chain management project launched with **our IMPACT (Initiative for a Meaningful Partnership Achieving Carbon Targets) project**, we plan to complete our transition to end-to-end value-chain management to include our authorized service centers and dealers. We plan that by 2040 our entire product range will consist of zero-emission vehicles and that our material procurement processes will be structured in line with circular-economy principles. We aim to reach a zero-waste target by 2045 and to achieve a 50% circular-flow rate by 2050. This vision aims to reshape the cities of the future, public-transport solutions and industrial ecosystems.

In 2024, by initiating SMETA social-compliance audits, we disseminated a responsible production approach at every stage of our value chain. Within our projects aimed at creating value for society, we delivered the Science Laboratory we established using non-hazardous industrial materials from our production processes to Dağcı Middle School through **Circular Impact for Education (C4Edu)**. Thus, by supporting children's access to science and technology, we realized an exemplary project that combines the circular economy with social benefit. In addition, by being accepted to **the Green Deal Compliance Project Support Responsible program**, we gained the opportunity to develop our sustainability strategies in alignment with global standards.

During the reporting period, we managed our social-sustainability efforts in a much more comprehensive way. To raise awareness and support collective learning, we organized workshops and webinars within this scope. We continuously develop our strategies to integrate a perspective of **diversity, equity and inclusion** into our corporate culture.

As TEMSA, we take determined steps by assuming responsibility for both today and tomorrow. We are aware that a sustainable world is only possible through impact-oriented collaborations and a shared vision. I would like to thank all TEMSA people who share the same determination with us and our stakeholders who trust us, and I wholeheartedly believe that with the new steps we take together, we will continue to shape the mobility of the future and sustainability.

SUSTAINABILITY MILESTONES



Launch of the first electric vehicles:

- MD9 electriCITY
- First vehicle in the SHD segment Marathon
- First smart bus Avenue IBUS



Production of the first domestic electric bus Avenue EV



Launch of Avenue Electron, LDSB Plus and the new MD9



First electric vehicle export (The first electric bus export was made to Sweden)

Türkiye’s highest local vehicle production in cooperation with ASELSAN



Silver Award at the EcoVadis 2021 Sustainability Platform

Publishing the first Sustainability Report

Obtaining a Limited Assurance Statement from a third-party verification organization for our sustainability data

Evaluation of the SROI (Social Return on Investment) impact of our collaborations with Çukurova University (14.18 TL social impact in return for 1 TL investment)

Establishment of the Sustainability Committee



Signature of the UN Global Compact

Participation in SBTi

Project to transform waste from the production site into a work of art with TEMSA Art



Obtaining Türkiye’s first bus EPD certificate for Avenue Electron

Completion of the transition to 100% renewable electricity use in our production processes

Publishing of the TEMSA Climate Action Plan

Responding to the CDP Climate Change survey for the first time

Being included in the Global-A List in the CDP Climate Change and Supplier Engagement Ratings (SER) assessment

Start of the Sustainable Supplier Development Program IMPACT (Initiative for a Meaningful Partnership Achieving Carbon Targets) project



Launch of the TEMSA Biodiversity Project

Delivery of the Science Laboratory to Dağcı Middle School through our Circular Impact for Education (C4Edu) project, established using our non-hazardous industrial materials

Acceptance to the Green Deal Compliance Support Project Responsible program

SUSTAINABILITY TARGETS

Year	Impact Area	Strategic Target
2022	Energy Management	<ul style="list-style-type: none">Transition to the use of renewable energy at our production site
2023	Product Impact Analysis Energy Management	<ul style="list-style-type: none">Conduct cradle-to-grave life-cycle analyses for the Avenue Electron and obtain the EPD (Environmental Product Declaration) certificateEnsure that 100% of the electricity used at our production site is sourced from renewable energy
2024	Social Sustainability	<ul style="list-style-type: none">Initiate SMETA social-compliance audits
2025	Sustainability Management Biodiversity Social Sustainability	<ul style="list-style-type: none">In addition to the CDP Climate Change questionnaire, respond to the Water Security questionnaireComplete Phase I of the TEMSA Adana Campus Carbon Footprint Reduction and Carbon Sink Creation Biodiversity ProjectPublish the I. Diversity, Equity, and Inclusion Report from the Perspective of TEMSA’s Social Sustainability
2026	Biodiversity Value Chain Management	<ul style="list-style-type: none">Expand the scope of our sustainable supply-chain management project launched under IMPACT (Initiative for a Meaningful Partnership Achieving Carbon Targets) to include authorized service centers/dealers and complete the transition to end-to-end value-chain management
2030	Emissions Management Water Management Value Chain Management	<ul style="list-style-type: none">Reduce Scope 1 and Scope 2 greenhouse-gas emissions by 68.6% by 2030 relative to the 2021 base yearBy 2030, reduce well-to-wheel Scope 3 GHG emissions from the use of sold buses and midibuses by 42% versus the 2023 base year, and by 59.6% per passenger-kilometerAchieve a 42% reduction in water consumption, in equivalent-bus terms, versus the 2022 base yearDesign certain products in line with circular principles (durability, repairability, circular composition) by 2030Achieve improvements in the ESG performance of our critical suppliers by 2030
2040	Strategic Transformation Circular Economy	<ul style="list-style-type: none">Ensure the entire product range consists of zero-emission vehiclesFacilitate the transition to a circular economy by working with stakeholders to maximize material-procurement efficiency by 2040
2045	Waste Management	<ul style="list-style-type: none">Reach our zero-waste target by 2045 and move away from disposal through landfilling and incineration
2050	Emission Management Circular Economy	<ul style="list-style-type: none">Reduce Scope 1 and 2 greenhouse-gas emissions by 90% by 2050 relative to the 2021 base yearRelative to the 2023 base year, reduce Scope 3 GHG emissions from purchased goods and services and from the use of sold vehicles by 97% per passenger-kilometer by 2050Achieve net-zero greenhouse-gas emissions across the value chain by 2050Under our circular-economy target, reach 50% circular flows by 2050

SUSTAINABILITY MANAGEMENT

The Sustainability Management Team, which oversees the creation, implementation and monitoring of our sustainability strategies, continues its work with a strategic vision that enables TEMSA to advance in an inspiring, responsible and determined manner. The team manages sustainability impacts with a balanced approach and aims to create long-term value. It consists of two main units: the Sustainability Committee and the Sustainability Agile Team. Bringing together representatives from different levels, this team is composed of leaders and experts with interdisciplinary experience. With their deep expertise in sustainability, team members play a key role in achieving our strategic goals.

At TEMSA, we manage our sustainability framework in a holistic manner through strategic planning, performance monitoring, and stakeholder collaboration.



Responsibilities of the Sustainability Management Team

Strategic Planning: They set sustainability targets and ensure integration with company strategies. At this stage, short-, medium- and long-term goals are defined and the steps required to achieve them are planned.

Performance Monitoring and Reporting: They track the company’s sustainability performance and regularly report to relevant stakeholders. Monitoring and reporting of measurable targets such as environmental impacts, energy efficiency and emissions reduction are included at this stage.

Innovation and Implementation: They conduct research to develop new and sustainable business practices. They support the integration of environmentally friendly products and technologies and implement innovative projects.

Tracking Sector Developments at Global and Local Scale: The automotive sector is increasingly adapting to sustainability-oriented advances worldwide and locally. Monitoring these developments and integrating them into strategic goals takes place at this stage.

Corporate Social Responsibility: They support efforts that enhance our company’s corporate social responsibility performance.

Comment Submission & Participation: Through local and national intermediaries, memberships, and chambers of industry, they contribute sector views on policy drafts, law drafts, action-plan drafts and draft regulations.

Risk, Opportunity, Impact and Dependency Assessment: They assess environmental, social and economic risks, opportunities, impacts and dependencies that could threaten TEMSA’s sustainability, and work to ensure appropriate measures are taken.

Stakeholder Communication: They establish effective communication with the company’s stakeholders on sustainability, collaborating with different stakeholder groups, such as employees, customers, suppliers, investors and society, to share sustainability values.

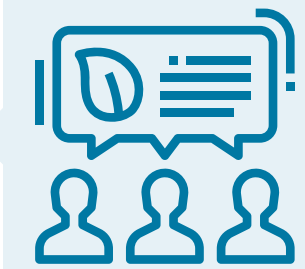
SUSTAINABILITY COMMITTEE

TEMSA Sustainability Committee Manifesto

TEMSA As the TEMSA Sustainability Committee, we ensure a responsible, determined and transparent approach across environmental, social and governance domains. In all our decisions, we value the trust of our stakeholders, the well-being of future generations and the expectations of society. With a structure that brings together different perspectives and is based on open communication and psychological safety, we build a strong working culture that is solution-oriented, innovative and collaborative. While carrying out strategic management, coordination and integration processes, we improve our corporate sustainability performance through risk-management, monitoring and reporting mechanisms. Across the company, we foster a shared awareness on emissions management, energy efficiency, efficient use of resources, circular economy, equality, diversity, inclusion, social innovation, ethical values and social impact. We assume responsibility for assessing sustainability and climate-change risks and opportunities, creating strategies, setting targets, tracking progress and outcomes toward those targets, and sharing the results with transparency. As a committee, we shape our strategic roadmap by integrating the SDGs into our corporate goals. We closely follow sectoral advances and developments in sustainability, and by boldly embracing the requirements of the era, we implement our strategies across our entire value chain.

We ensure that the sustainability agenda is addressed at the Board of Directors level and considered in strategic decision-making processes. We expand our sphere of impact through work that covers a broad ecosystem from our employees to our suppliers, from our dealers to different segments of society. Through training, collaborations and innovative projects, we increase sustainability awareness.

We attach importance to integrating a social-sustainability approach into our corporate culture and practices. In this context, we closely track social-impact-oriented projects within TEMSA and establish collaborations that respond to the needs of society. In addition, our collaborations with Sabancı Holding and PPF Group add institutional strength to TEMSA’s sustainability approach, while our presence on international platforms such as CDP, EcoVadis and UNGC enables our performance to be measured and recognized on a global scale. As TEMSA’s Sustainability Committee, by ensuring alignment with these standards, we assume a pioneering role in our sector. Our CEO chairs the Committee, and in every-decision we prioritize national and international standards, trust for our stakeholders and value for society.




Our committee, inspired by TEMSA’s sustainability vision and mission, translates the company’s value-oriented, science-based and holistic sustainability approach into concrete steps. With work that is determined in combating the climate crisis, attentive to social benefit, and encompassing all dimensions of sustainability, we prioritize the transition from words to action. Accordingly, by creating long-term impact across our entire value chain, we advance our goal of generating lasting benefit for the planet and society. Since its establishment in 2021, the TEMSA Sustainability Committee has operated within the scope of strategic sustainability governance. By taking an active role in managing environmental, social and governance impacts, it provides a responsible structure that shapes the company’s sustainability roadmap. The Sustainability Committee monitors the work required to implement the Sustainability Roadmap approved by the Board of Directors and the CEO. The Committee works for the effective management of sustainability matters through a multifaceted approach and collective wisdom involving many teams and participants.


The focus teams supporting the Committee include employees from units such as **Maintenance and Repair, Risk, Procurement, Supplier Development, Administrative Affairs, Environment, Occupational Health and Safety, R&D, Production, Legal Counsel, Human Resources, Quality, Information Technologies, Corporate Communications and Marketing**. Where necessary, the Committee also benefits from the opinions of subject-matter experts. In line with TEMSA’s sustainability strategies, it meets at least three times a year to adopt best practices, reinforce sector leadership and fulfil global responsibilities. Each meeting is held to review TEMSA’s sustainability performance, track strategic targets and update action plans. In addition, through Committee meetings, many topics and agenda items are evaluated within the scope of trends, megatrends and global developments.

SUSTAINABILITY COMMITTEE


2024 Sustainability Committee Meeting Agendas




Sustainability Initiatives (CDP, SBTi, EcoVadis, UNGC, etc.)
TEMSA’s activities and achievements on international sustainability rating platforms such as CDP and EcoVadis are evaluated. Activities and assessments carried out within the UNGC framework are also discussed.




Sustainability KPIs, Targets and Progress Tracking
In line with the defined sustainability performance indicators, progress toward annual targets is reviewed. Projects and performance results aimed at reducing carbon emissions and water consumption are monitored on the Committee agenda.




2024 Sustainability Agenda and Recommendations
Strategic sustainability projects to be carried out throughout the year, planned actions and focus areas are determined. Committee members’ views and recommendations regarding the planned work are gathered.




Sustainability Trainings and Awareness Programs
The content and development of training programs aimed at increasing TEMSA employees’ sustainability awareness, such as SustainWEQ, are addressed.




IMPACT Project – Supplier and Dealer Assessment
The sustainability performance of suppliers and dealers is evaluated within the scope of the IMPACT Project, and improvement plans are discussed.




Sustainability Risks and Opportunities
Sustainability risks and opportunities related to climate change, the supply chain and operational processes are analyzed, and action plans are created.




TEMSA ART, C4EDU Projects and Social Sustainability
The progress of TEMSA ART and C4EDU projects that provide social contribution, as well as new social-impact projects, are discussed.



Regulations, Compliance and Audit Processes
Outcomes from COP meetings and global/local regulations/standards such as IFRS, CSRD, CS3D, CBAM and TSRS are conveyed. Updates are provided on audit processes such as SMETA, ISO 14064 and on the Responsible program.



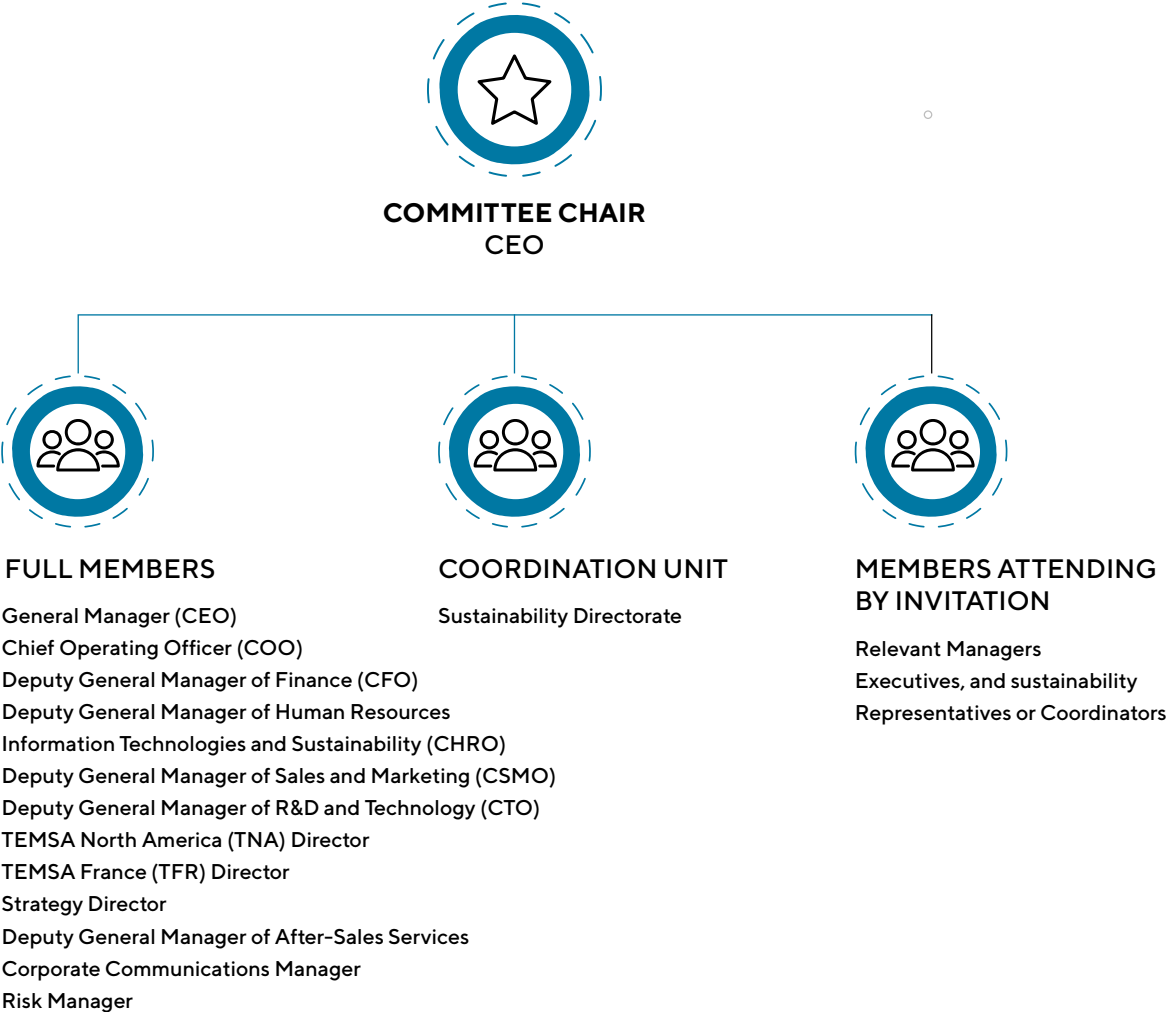
Biodiversity Agenda and Projects
Projects for the protection of natural ecosystems, biodiversity performance indicators and new implementations are evaluated.



TD, TNA and TFR and Sabancı Holding Sustainability Activities
Sustainability projects and strategic contributions led by TD, TNA and TFR are addressed. Integrated sustainability projects conducted in collaboration with Sabancı Holding are also followed.

SUSTAINABILITY COMMITTEE

Sustainability Committee Organization Chart



SUSTAINABILITY AGILE TEAM

To bring our sustainability vision to life, we at TEMSA have established the Sustainability Agile Team, which embraces an agile working culture that transforms the way we operate. The Sustainability Committee also participates in the work of agile teams under the Sabancı Holding structure. Operating under the Sustainability Committee, the Sustainability Agile Team addresses every aspect of sustainability effectively by enabling rapid response and fostering innovation. Equipped with innovation, flexibility and collaboration, this dynamic team plays an important role in conveying our sustainability mission effectively.

Our Sustainability Agile Team operates as a dynamic structure that drives the transformation of the industry through innovation and collaboration.

The Agile Team also handles matters related to providing sector consultations. In addition, the R&D and OHS units track standards and regulations and submit opinions. Topics on which we have provided sector views through local and national intermediaries, institutions of which we are members, and chambers of industry include:

- Sector opinion submitted on the amendment to the Communiqué on Verification of Greenhouse Gas Emission Reports and Accreditation of Verifier Organizations.
- Our views on the draft Regulation on the Management of Industrial Emissions were shared via the OSD Environmental Committee.
- Our contributions to industry opinions regarding actions under the Mobility Vehicle Technologies and Roadmap were conveyed by OSD to the Ministry of Industry and Technology, Directorate General for Industry.
- Our views on a letter, prepared to inform about and propose solutions to a system error related to 24/7 electronic signage within the scope of the Intelligent Speed Assistance System, were conveyed by OSD to the Ministry of Transport and Infrastructure, General Directorate of Highways.

RISK AND OPPORTUNITY MANAGEMENT

One of the most critical threats facing the world’s economies today is climate change. Rising temperatures, drought, extreme weather events and the depletion of natural resources make it clear that this issue must be addressed with its environmental, economic and social dimensions. The year 2024 was one of the periods when the impacts of the climate crisis were felt most intensely. Wildfires and floods on a global scale, severe losses in agricultural production and hard-to-reverse degradations in ecosystems demonstrate the necessity of taking urgent action. Based on this reality, we believe that assuming responsibility in the fight against climate change is critical for sustainability. While structuring our business model and value chain to increase resilience, we are taking strategic steps to align our production, export and investment activities with the conditions of the future.

We continue our efforts with determination to promote sustainability in the fight against climate change and to fulfill our commitments in this field. At TEMSA, the Committee for Early Detection of Risk (RESK), established in 2021, began operating in 2022 with representatives from both of our shareholders, a Board Member and the Škoda Risk Manager.

The Committee manages the risks and opportunities faced by the company with a holistic perspective by assessing them under four main categories, strategic, financial, operational and compliance. At TEMSA, the risks of all units are managed, monitored and reported in an integrated manner. In this context, we submit our annual risk report to the Sabancı Holding Committee for Early Detection of Risk and we prepare the Holding report to include the sustainability dimension. Our risk-management work covers areas such as Sustainability, Exchange Rate, Interest, Portfolio and Business Management, Occupational Health and Safety, Regulatory and Implementation Changes, Reputation, Capital Markets, Legal Compliance, Cybersecurity, Information Technologies, Business Continuity, Business and Operational Continuity, Human Resources and Key Personnel, Emergencies and Disasters, Liquidity or Cash Management, and Access to Financing.

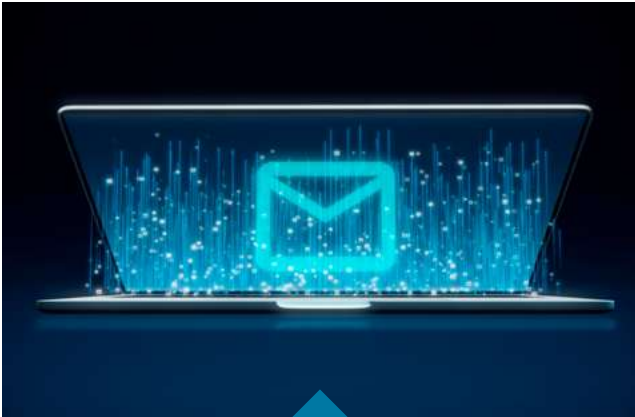
In 2024, we also created our risk inventory. In this inventory, we identified impact, likelihood, vulnerability and the speed at which a risk would reach TEMSA, risk scores, tolerance limits and key risk indicators (KRIs). In addition, within the scope of our Compliance Universe work, we defined the results of our risk and opportunity analysis.



Logi Financial Analysis Project

It was launched to digitize and automate, via robotic technology, the financial analysis processes of TEMSA’s authorized dealers, service centers and suppliers. Thanks to this system, financial analyses are carried out error-free, rapidly and with far less labor.

Logi Financial Analysis regularly monitors the financial status of TEMSA’s domestic business partners and reliably provides scorecard data. The analyses conducted annually on a regular basis strengthen the company’s risk-management processes and accelerate strategic decision-making.



E-Letter of Guarantee Transition Project

With this project, bank letters of guarantee previously obtained in physical form were moved to a digital environment, preventing risks arising from manual processes such as loss or damage of documents. In addition, by reducing paper use it contributed to environmental sustainability and increased efficiency in internal operations.

As of the first quarter of 2024, all physical letters of guarantee received from business partners were returned and replaced with electronic letters of guarantee. Thanks to mobile-signature integration, information security was elevated to the highest level, and the risks of error and misuse were significantly reduced.

SUSTAINABILITY-ORIENTED RISK AND OPPORTUNITY MANAGEMENT

We view the management of sustainability risks at TEMSA as a shared responsibility across the entire company. In integrating risk management and sustainability, we adopt a multidisciplinary approach and prioritize collaboration and integration. With this perspective, we assess TEMSA’s sustainability risks and opportunities through a model that we have integrated into the corporate risk-management structure. By valuing the development of a more holistic and coherent risk-management strategy for TEMSA, we aim to establish a common language and improve the performance of our work through various practices such as workshops, co-creation sessions and the canvas method. You can find our integrated risk-governance structure under ➤ **Risk and Opportunity Management.**

We prepare for the future by integrating our risk governance with sustainability- and climate-related transition risks, physical risks, compliance risks, and social risks.

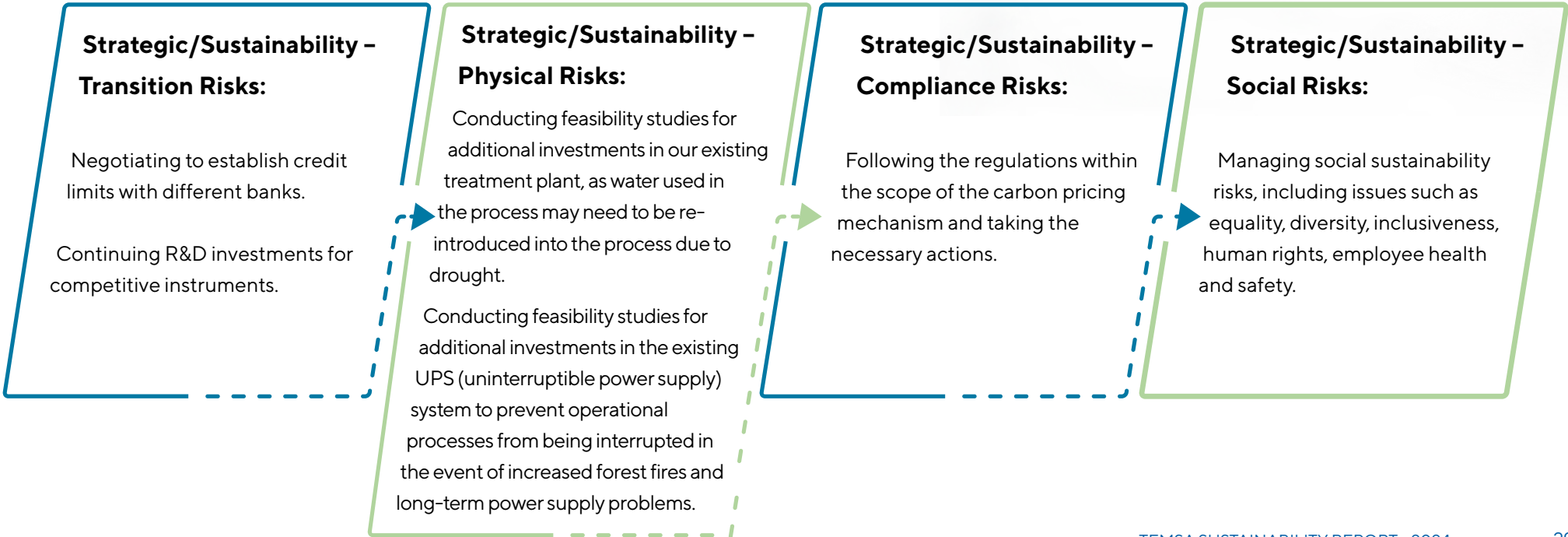


Risk In identifying risks and opportunities, we used the TCFD and TNFD methodologies. In addition, we drew on WEF (World Economic Forum) reports and IPCC scenarios in line with TEMSA’s specific needs. In this way, we set our sustainability priorities by focusing on high-risk areas while also taking into account the views and expectations of our stakeholders.

In managing climate-change risks, we used the IEA NZE 2050 as the transition scenario, and RCP (Representative Concentration Pathway) scenarios as the physical-climate scenarios. You can find details on the management of our climate-related risks in our ➤ **Climate Action Plan.**



At TEMSA, we evaluate sustainability risks under four main headings:



SUSTAINABILITY-ORIENTED RISK AND OPPORTUNITY ASSESSMENT

Risk Issue	Risk Definition	Risk Impact	Opportunity Impact
CURRENT AND FUTURE REGULATIONS	National and international regulations increase the need to comply with global climate standards, while future regulations on carbon emissions, fuel efficiency and battery use pose significant risks. The Emissions Trading System will oblige fuel suppliers to report CO ₂ emissions and will raise costs. Carbon taxes and the Carbon Border Adjustment Mechanism will affect companies using conventional vehicles more; the Battery Passport Directive will track the battery life cycle for recycling and reuse, promoting sustainability. The potential ban on gasoline and diesel vehicles in Europe by 2035 steers the sector toward electric and alternative-fuel models and requires major investments. In Türkiye, with the entry into force of the Türkiye Climate Law, reporting, monitoring and tracking obligations are expected to increase and become mandatory. These challenges also create opportunities for innovation and competitiveness.	<ul style="list-style-type: none">• Rising operating costs (carbon taxes and mandatory emissions reporting/verification)• Decreasing demand for conventional vehicles and the need to shift to alternative-fuel vehicle production• Penalties and financial losses in case of non-compliance• Changes in international law and bilateral agreements• Changes in how current products and services are regulated• Greater difficulty in obtaining operating permits• Increase in financial expenses	<ul style="list-style-type: none">• Early adoption of sustainable practices• Improved operational stability and financial performance through early compliance• Attracting sustainability-minded customers, strengthening reputation, and increasing market share• Better scores in sustainability ratings and participation in ESG indices• Access to sustainability-linked finance, incentives, and loans, creating growth opportunities• Enhanced resilience strategy against future regulatory change• Participation in sustainability-related cooperation frameworks, initiatives, and/or commitments
RESPONSIBILITY/ LIABILITY	Companies that adopt sustainable practices early can benefit from incentives and improve financial performance. Early compliance helps avoid penalties and ensure operational stability. TEMSA's 100% renewable-energy use and SBTi-approved targets demonstrate continuous improvement in sustainability performance and commitment to climate goals; in the long term this lowers operating costs and cushions	<ul style="list-style-type: none">• Exposure to sanctions if responsibilities/ obligations are not met• Regulatory non-compliance• Moratoria and voluntary agreements• Inability to benefit from incentives• Decline in sustainability performance• Energy-price volatility• Customer dissatisfaction	<ul style="list-style-type: none">• Strengthened community relations• Participation and improved ratings in sustainability and ESG indices• Reputation gains through demand for products and services• Resilience strategy against future regulatory changes• Stronger adaptation mechanisms to climate impacts• Access to sustainability-linked incentives, funds and loans• Higher customer satisfaction• Improved sustainability performance

SUSTAINABILITY-ORIENTED RISK AND OPPORTUNITY ASSESSMENT

Risk Issue	Risk Definition	Risk Impact	Opportunity Impact
TECHNOLOGY	<p>Rapid advances in EVs and low-emission technologies create major technology risks. Without investment in EVs, battery efficiency and autonomous systems, companies risk falling behind. Battery technology is critical to EV performance. Integrating autonomous-driving systems is becoming a key differentiator. The industry’s dependency on water requires adoption of water-efficient technologies. Companies that manage these risks effectively will be better positioned.</p>	<ul style="list-style-type: none">• Difficulty accessing sustainable technologies• Obligation to transition to lower-emission technologies and products• Failed investments in new technologies• Transition to renewable energy sources• Dependence on water-intensive resources• Inability to respond to customer expectations in a timely, effective way	<ul style="list-style-type: none">• Use of low-carbon and renewable energy sources• Development of new products and services through R&D and innovation• Evaluation of patent and utility-model applications• Increased production safety• Higher sales of existing products and services• Improved efficiency• New opportunity areas focused on better water management• Alignment with customer and investor expectations, boosting reputation, revenue, and market share
MARKET	<p>As preferences shift toward electric and alternative-fuel vehicles, market risks rise. Producers that fail to adapt may lose share; rising material costs and supply-chain disruptions can worsen this. Rapid changes in sustainability expectations, regulatory uncertainty and supply-demand fluctuations for low-carbon products together drive unpredictability.</p>	<ul style="list-style-type: none">• Changing customer behavior• Inadequate access to water, sanitation, and hygiene services• Delays in investment decisions• Uncertainty in product-development processes• Market inconsistencies• Geopolitical tensions	<ul style="list-style-type: none">• Incorporating changing market conditions into assessments• Early response to opportunities to enter new markets• Rising demand for certified and sustainable materials• Use of public-sector incentives• Greater transparency across the value chain• Anticipating shifts in consumer preferences and responding with agility• Strong after-sales services and expansion of the product portfolio

SUSTAINABILITY-ORIENTED RISK AND OPPORTUNITY ASSESSMENT

Risk Issue	Risk Definition	Risk Impact	Opportunity Impact
REPUTATION	In today's world, communication and brand reputation are quite obvious risk areas. Communication and brand reputation are pronounced risk areas as social media amplifies impact. Lack of or poor strategy can seriously damage reputation.	<ul style="list-style-type: none">Increased stakeholder concerns or negative feedbackNegative press about environmental impacts (GHG emissions, deforestation, biodiversity, water)Sector biasReputation, financial, and customer losses due to incorrect or insufficient communicationMiscommunication in crises and public backlashEmployee loss and inability to attract the right skillsDecline in employee engagement and motivationErosion of trust in TEMSALower customer and investor satisfaction	<ul style="list-style-type: none">Stronger reputation through increased demandImproved community and stakeholder relationsParticipation in sustainability-oriented cooperation frameworks, initiatives, and/or commitmentsAttraction of environmentally conscious customers and investorsMarket advantage via a more resilient value chainFast, effective crisis-response mechanisms and stronger crisis controlImplementation of a business-continuity management systemAttraction and retention of qualified employees and strong investor relationsIncrease in financial investmentsAccurate and active public follow-through of TEMSA's workAn effective communication strategy that reflects TEMSA culture
ACUTE PHYSICAL	Heat waves are identified by the IPCC as one of the most widespread and destructive impacts of climate change; they place severe pressure on energy consumption, worker health, and operational continuity in manufacturing sectors. Heat stress is an occupational health threat in which workers are at risk of overheating, assessed according to the WBGT (Wet Bulb Globe Temperature) index, which combines ambient temperature, humidity, and radiation. When WBGT values reach 30°C or higher, the risk of health problems such as heat exhaustion and heat stroke increases, workforce productivity declines, and the likelihood of workplace accidents rises. This situation can lead to health problems, reduced production efficiency, and losses in the workforce. Particularly on welding, painting, and assembly lines that emit high heat, it can increase the risk of workplace accidents and exposure to legal liabilities.	<ul style="list-style-type: none">Extreme weather events (flood, landslide, drought, wildfire)Environmental-pollution incidentsDisruptions in operational processes; outages at production facilitiesInability to meet customer expectationsFinancial lossDisruptions across the value chainWorkplace accidents and near misses	<ul style="list-style-type: none">Stronger resilience by improving supply-chain robustness and production stabilityHigher efficiency in production and distribution; localization practicesUse of new, resource-efficient technologiesMore water-efficiency effortsWater scarcity and water-stress assessmentsTargets for efficient water useWBGT monitoring, break planning, ventilation improvements, and training managed with this awareness

SUSTAINABILITY-ORIENTED RISK AND OPPORTUNITY ASSESSMENT

Risk Issue	Risk Definition	Risk Impact	Opportunity Impact
CHRONIC PHYSICAL	Chronic physical risks include long-term environmental changes such as rising temperatures, sea-level rise, and severe water scarcity, and they can affect automotive manufacturing. Water stress may limit the availability of water for production, especially in impacted regions; rising temperatures can increase cooling costs. These impacts also encompass biodiversity loss. Such loss, through species extinction, reduced genetic diversity, and degradation of ecosystem services, causes serious disruptions to fundamental life-support systems, particularly natural resources. For TEMSA, the degradation of natural habitats in its operating regions may adversely affect the balance of local ecosystems.	<ul style="list-style-type: none">• Changing precipitation patterns and types (rain, hail, snow/ice)• Changing temperatures (air, freshwater, seawater)• Coastal erosion• Water stress and water scarcity• Delays in production and supply processes• Failure to meet customer expectations on time• Financial risks• Increased cooling costs• Biodiversity loss• Reputational damage and punitive sanctions	<ul style="list-style-type: none">• Use of renewable energy sources• Acceleration of low-carbon product processes• Increased resilience to the impacts of climate change• Participation in sustainability-oriented collaboration frameworks, initiatives, and/or commitments• Tightening targets for water efficiency• Investment in recycling, circular-economy business models, and new technologies• Localization efforts
BUSINESS ETHICS AND COMPLIANCE	Failure to comply with laws, regulations, and ethical standards can lead to financial losses, reduced employee engagement, and various sanction risks. Violations of ethical rules or insufficient implementation of compliance processes may erode trust among employees and result in legal breaches. Such risks can negatively affect the company’s financial performance and damage customer and stakeholder relationships. Developing a strong ethical culture and compliance mechanisms both strengthens trust among employees and supports the company’s strategy. Therefore, regular training programs, open communication channels, and transparency policies stand out as key strategies that promote business ethics and compliance.	<ul style="list-style-type: none">• Criminal/administrative sanctions, loss of workforce, financial losses, declines in employee engagement, and loss of critical positions• Marketing/communications risk and negative news affecting reporting processes• Negative union news regarding laid-off or retired employees and the termination of partnerships• Inability to develop shared corporate practices and understandings focused on inclusion and diversity• Deterioration of partnership structures and emergence of investor risks• Negative impact within Sabancı Holding	<ul style="list-style-type: none">• Achieving financial stability by increasing the company's credibility with banks in terms of credit limits• Enhancing TEMSA’s credibility through processes such as working with suppliers that do not employ child labor and sustainability-oriented supply and value chain management• Early adaptation to new opportunity areas through efforts such as fulfilling legal processes ahead of current timelines and applying sustainability criteria in supply chain management• Increasing reliability in supplier selection processes and creating an opportunity area for dealers within this scope

SUSTAINABILITY-ORIENTED RISK AND OPPORTUNITY ASSESSMENT

Risk Issue	Risk Definition	Risk Impact	Opportunity Impact
OCCUPATIONAL HEALTH AND SAFETY	<p>The activities carried out by company employees entail risks of direct or indirect physical or psychological harm. Employees also face the risk of being affected by regional climatic conditions and extreme heat. One important risk area is psychosocial risks. In this context, factors such as uncertainty, job stress, workload and time constraints, communication problems, and work-life imbalance can have potential impacts on employee health. Another significant risk is failing to keep occupational health and safety practices up to date in line with evolving conditions, practices, and needs.</p>	<ul style="list-style-type: none">• Increase in workplace accidents and near-miss incidents• Production stoppages and inability to ensure business continuity due to lost days or loss of workforce from accidents• Decline in employee motivation and a rise in occupational diseases• Line stoppages and/or inoperation; the product/service not reaching the customer on time or at all• Penalties, reputational loss, and financial losses• Inability to ensure a psychologically safe environment linked to psychosocial risks• Increase in unsafe behaviors	<ul style="list-style-type: none">• Employment of qualified and competent employees• Providing a safe working environment• Carrying out work under ISO 45001 and continuous improvement• Full compliance with laws and tracking international standards• Mapping all on-site hazards with a behavior-focused lens and classifying risks• Risk-reduction activities through trainings and periodic inspections• Monitoring high risks with action plans and implementing risk-reduction activities
EMPLOYEE ENGAGEMENT	<p>Employees' social well-being and equal workforce practices are key factors in engagement. Neglecting issues such as remuneration, safe working conditions, and transparent promotion and salary-increase procedures may lead to declining engagement and high turnover. Building a workplace culture that values employees and appreciates their contributions is an important opportunity area. Not involving employees in decision-making mechanisms and insufficient awareness of internal processes can negatively affect engagement. For employees, it is important to have a workplace where they can express themselves and find opportunities for development.</p>	<ul style="list-style-type: none">• Loss of institutional memory• Transfer of information to competitors and harm to information security• Work outputs failing to achieve the desired results, and an increase in improper practices• Loss of competencies, impact on product and service quality, and constrained innovation capacity• Financial losses• Declining customer satisfaction and delays in operations• Productivity loss• Errors in decision-making mechanisms and failure to make correct decisions• Quiet quitting, low employee motivation, and low engagement• Promotions not carried out on time; lack of competency-based and 360-degree evaluations	<ul style="list-style-type: none">• Ensuring easy access to training• Assessing training and development needs and having an internal team dedicated to these areas• Supporting training and development activities with technological infrastructure and digitalization• Enhanced corporate reputation and increased competitiveness• Hiring interns familiar with TEMSA's culture, collaborating with universities, and creating positive references in the community• A strong institutional memory with competent and qualified employees

SUSTAINABILITY-ORIENTED RISK AND OPPORTUNITY ASSESSMENT

Risk Issue	Risk Definition	Risk Impact	Opportunity Impact
SKILLED WORKFORCE AND TALENT ACQUISITION	<p>Institutions prioritize acquiring the talent needed to achieve their strategic goals and, in this context, also prioritize effective management of the existing workforce. For work cultures that are out of step with next-generation leadership and new ways of working, lacking innovation and flexibility, attracting talent to the company and sustaining employee engagement becomes difficult. It is increasingly important to design environments that accommodate employees’ diversity through human-centered approaches.</p>	<ul style="list-style-type: none">• Loss of productivity, failure to meet corporate objectives, and financial losses• Timing errors and delays in achieving targets• Impact on product and service quality• Decline in customer satisfaction• Inability to retain talents aligned with current needs within the organization; difficulty attracting new talent to the company	<ul style="list-style-type: none">• Strengthening reputation by becoming an employer of choice• Building a culture that fosters innovation and creativity• Creation of new avenues for financial investment• Higher customer satisfaction and strong fulfillment of investor expectations• Hiring talent from diverse universities• Improved strategic performance with competent and qualified employees
DIVERSITY, EQUITY AND INCLUSION	<p>Biases encountered during recruitment or in the workplace threaten an inclusive and fair working environment. Such unconscious biases can undermine diversity and inclusion at work.</p> <p>Creating workplace environments where employees can be present with all their diversities and develop their competencies is becoming an important opportunity area.</p>	<ul style="list-style-type: none">• Failure to integrate diversity into the supply and value chain• Falling short of targets• Failure to meet regulations and resulting reputational damage• Reduced competitiveness• Cultural conflicts and insufficient readiness of the workplace culture• Societal prejudices• Risk of losing suppliers, rising costs, and financial losses• Unconscious biases and differences of opinion• Reduced effectiveness of the innovation culture	<ul style="list-style-type: none">• Expanded access to sustainable financing sources through work in this area• A stronger employer brand and reputation• Higher scores in standards and reporting, with positive effects in credit assessment processes• Increased employee engagement and motivation• Promotion of productivity and creativity within the organization• Meeting stakeholder expectations, including employees, customers, and investors• Creating a decent, dignified work environment• Contributions to social welfare and the local community

SUSTAINABILITY-ORIENTED RISK AND OPPORTUNITY ASSESSMENT

Risk Issue	Risk Definition	Risk Impact	Opportunity Impact
EMPLOYEE DEVELOPMENT AND TRAINING	<p>Insufficient support and guidance in employees’ development and training processes can negatively affect their career progression and personal growth. When employees with specific skill sets cannot participate in regular training programs, they may be unable to fully realize their potential and advance in their careers. Such training gaps can lead to loss of knowledge and competencies in the workplace. Providing training and development opportunities through which employees can continuously build their skills has become an important factor that boosts job performance.</p>	<ul style="list-style-type: none">• Inability to provide access to training opportunities• Failure to achieve targeted work outputs and decreased motivation• Penalties; reduced competitiveness and capability• Decline in managerial performance; failure to provide proper onboarding programs• Decreased employee engagement• Employees’ inability to fully utilize their potential• Loss of employee time and disruptions in workflows due to poorly structured training-needs analyses• Inability to adapt to evolving training methods• Failure to implement reverse mentoring• Lack of intergenerational dialogue environments; absence of young people in decision-making mechanisms	<ul style="list-style-type: none">• Designing innovative, needs-based training and development programs tailored to TEMSA employees• Digitalizing trainings and making them accessible• Allocating resources to unit-specific, needs-focused trainings; strengthening the financial structure; embedding inclusivity as part of the culture• Rising employee engagement and motivation; expanding academia-industry collaboration within the company through advantages such as covering master’s and PhD expenses• Process improvements driven by an increase in innovative solutions within the company• Expanding incentives and providing English-language support to spread international opportunities within the organization• Increased employee engagement• TEMSA becoming an employer of choice
SOCIAL PROJECTS –LOCAL COMMUNITY INVESTMENTS	<p>Insufficient participation or support in social projects and local community investments can weaken the company’s social responsibility and its relationships with local communities. Failing to allocate adequate resources and attention to projects addressing local needs can erode public trust in the company and reduce opportunities for collaboration. Such shortcomings may sever ties with the local community and create a negative reputation. Developing projects that are responsive to local needs and sustainable has become a key strategic area that promotes social cohesion and a supportive environment.</p>	<ul style="list-style-type: none">• Reduced effectiveness of social projects• Lower contribution to employment and failure to ensure local hiring• Reputational damage and financial losses• Harm to communication and cooperation with local communities• Decline in social impact and loss of customers	<ul style="list-style-type: none">• University-community-industry collaboration, creation of local employment opportunities, and a positive contribution to regional development• Increased customer satisfaction and strong fulfillment of investor expectations• Enhancing cooperation with local administrations and encouraging local use of TEMSA products• Active and effective communication with the Hayal Ortakları Association, creating long-term, visibility-driven opportunities• Longstanding efforts focused on inclusivity and diversity and the career opportunities these create• Implementation of impactful, socially sustainable projects and expanded access to sustainable financing sources for such projects

SUSTAINABILITY-ORIENTED RISK AND OPPORTUNITY ASSESSMENT

Risk Issue	Risk Definition	Risk Impact	Opportunity Impact
EVOLVING, TRANSFORMING CULTURE	An inability of corporate culture to adapt to changing and transforming dynamics can have significant adverse effects on a company. A culture that cannot keep pace with digital transformation or adapt to flexible working models may reduce employee motivation and engagement. Such cultural resistance can hinder innovative thinking and continuous improvement. Elements such as open communication, intergenerational dialogue, next-generation leadership practices, culture-transformation initiatives, continuous training, and flexible work environments have become key strategies that promote cultural alignment and development.	<ul style="list-style-type: none">• Increase in resignation rates, loss of competencies, and erosion of institutional memory• Inability of new generations to settle within the company and emergence of intergenerational conflicts• Lack of mid-level staff capable of executing and facilitating culture transformation• Absence of managerial support during the cultural transformation process• Overly hierarchical structures• Prejudice against change within the organization• Lack of a shared language in agile processes; failure to develop common terminology, processes, and activities• Adaptation challenges among managers and senior executives to the company culture• Gaps in promotion processes and lack of effective career planning• Absence of a responsibility matrix and failure to establish follow-up mechanisms for employee development	<ul style="list-style-type: none">• In-company motivation-boosting activities and development of intergenerational communication methods• Scaling work environments that foster innovation and creativity• Building a culture of psychological safety, thereby increasing efficiency, active listening, and effective communication in business processes• Expanding HR efforts focused on intergenerational work culture and aligning with agile transformation• Aligning policies and procedures with evolving cultural standards• Higher employee engagement and motivation• TEMSA becoming an employer of choice
HUMAN RIGHTS	Workplace policies that do not respect human and employee rights can lead to decreased employee satisfaction and higher turnover. Moreover, practices that violate human rights can result in legal issues and financial penalties, affecting overall company performance. Developing and implementing policies sensitive to human rights protects employees' rights while strengthening social reputation and positively influencing the employer brand.	<ul style="list-style-type: none">• Reputational damage and loss of customers• Declining employee engagement and rising turnover• Inability to attract the right talent• Legal violations, punitive sanctions, and financial losses• Damaged stakeholder relations, union backlash, and harm to the employer brand• Inability to access sustainability-linked financing sources	<ul style="list-style-type: none">• High employee engagement and motivation through active efforts to respect human and employee rights• Enhanced social reputation and a stronger employer brand• Increased efficiency in business processes• TEMSA becoming an employer of choice• Building positive relationships with stakeholders and incorporating their views into business processes• Implementing policies that are sensitive to human rights and aligned with employee expectations, and applying them across the entire value chain

SUSTAINABILITY-ORIENTED RISK AND OPPORTUNITY ASSESSMENT

Risk Issue	Risk Definition	Risk Impact	Opportunity Impact
ANTI-BRIBERY AND ANTI-CORRUPTION	Insufficiency in combating bribery and corruption can expose companies to serious legal and financial risks. Allegations of corruption damage a company's reputation and can result in punitive measures and monetary fines. Lack of transparency and inadequate anti-corruption strategies can erode trust among business partners and investors, adversely affecting commercial relationships. An effective anti-bribery and anti-corruption policy enhances long-term sustainability and market credibility.	<ul style="list-style-type: none">• Failure in combating bribery and corruption• Punitive sanctions and reputational loss• Financial losses and exposure to legal proceedings related to corruption offenses	<ul style="list-style-type: none">• Strengthening competitiveness through effective anti-bribery and anti-corruption strategies• Adopting best practices within the anti-bribery and anti-corruption framework• Gaining opportunities in accessing sustainability-linked financing sources• Increasing the effectiveness of R&D, innovation, and digitalization efforts• Including these factors as criteria in supplier evaluations
CORPORATE GOVERNANCE AND TRANSPARENCY	<p>Corporate governance and transparency risks can hinder achievement of strategic goals and undermine stakeholder trust. Insufficient knowledge and experience among Board members, particularly on sustainability and social responsibility, can negatively affect decision-making, leading to reduced competitiveness and strategic missteps.</p> <p>Inadequate transparency increases uncertainty around financial and operational performance, fostering distrust among investors and other stakeholders.</p>	<ul style="list-style-type: none">• Insufficient knowledge and expertise on the Board, especially within the sustainability framework• Failure of decision-making processes to progress at the Board level and erosion of competitiveness• Rising uncertainty and the creation of an atmosphere of distrust• Inability to ensure diversity within senior management and the Board	<ul style="list-style-type: none">• Enhancing the transparency of the Board• Embedding sustainability and climate change considerations in decision-making mechanisms• Applying sustainability-oriented criteria when assessing investment effectiveness• Integrating sustainability and climate-related risks and opportunities into the ERM (Enterprise Risk Management) structure• Implementing effective corporate governance practices to build a strong brand reputation with stakeholders• Ensuring diversity within senior management and the Board
CUSTOMER EXPERIENCE	Risks in customer experience management can lead a company to lose its competitive advantage and market share. Failure to respond to customer demands quickly and effectively may cause customer dissatisfaction and reputational damage. In addition, low-quality services or products reduce customer satisfaction and make new customer acquisition more difficult. Strong customer experience management enables the company to build a robust network of customer relationships and solidify its position in the sector. Practices aimed at protecting customer health and safety also stand out in this context.	<ul style="list-style-type: none">• Adverse customer experiences and declining customer satisfaction• Financial losses and reputational damage• Difficulties in acquiring new customers and investors• Erosion of competitiveness and customer loss• Insufficient practices related to customer health and safety	<ul style="list-style-type: none">• Customer-focused initiatives that increase satisfaction and strengthen competitiveness• Receiving positive customer feedback• Growth in brand value• Acquisition of new customers• Achieving effectiveness in national and international markets• Establishing a strong corporate and strategic management structure• Greater efficiency in after-sales services and spare-parts processes• Implementing enhanced services focused on customer health and safety

SUSTAINABILITY-ORIENTED RISK AND OPPORTUNITY ASSESSMENT

Risk Issue	Risk Definition	Risk Impact	Opportunity Impact
WOMEN'S EMPLOYMENT	When women are not adequately included in the workforce, companies may face a range of risks. Failure to ensure gender equality and to support women sufficiently in professional life can negatively affect an organization's diversity and innovation capacity. This can create imbalances in corporate culture, leading to low representation of women and a potential loss of talent.	<ul style="list-style-type: none">• Decline in the proportion of women employees• Failure to meet inclusivity and diversity targets• Adverse impacts on corporate culture• Reduced competitiveness• Lack of diverse perspectives and inability to ensure talent diversity• Failure to meet investor expectations• Reputational loss• Inability to attract talent to the organization; unconscious bias	<ul style="list-style-type: none">• Increased innovation and competency capacity• Enhanced reputation through an inclusive work environment• Higher employee engagement and satisfaction• Productivity gains and better fulfillment of investor expectations• Access to sustainability-linked financing sources• A stronger employer brand
DIGITALIZATION CAPABILITY	Insufficient digitalization capability carries the risk that a company cannot modernize its processes or keep pace with technological innovation. If inadequate resources are allocated to digital tools and systems, or if appropriate talent cannot be attracted, customer experience and productivity may be adversely affected. This can render business processes inefficient and weaken competitiveness.	<ul style="list-style-type: none">• Inability to attract new talent• Failure to allocate resources to technological infrastructure• Negative customer experience• Lower employee engagement due to an inability to provide an efficient working environment• Business processes that do not incorporate current developments and practices• Reduced competitiveness and market share	<ul style="list-style-type: none">• Developing strategies that prioritize agility in execution and goal attainment• Obtaining measurable results and easier access to data• Leveraging advanced support and digitalization in after-sales services• Effective, needs-aligned emergency governance and crisis control approaches• Rapid responses to customer and investor demands• Capturing technology-enabled innovation opportunities and increased investment• Gains in competitiveness and market share through digitalization investments

Risk Issue	Risk Definition	Risk Impact	Opportunity Impact
EMPLOYEE-SENIOR MANAGEMENT RELATIONS	Communication gaps or misalignment between employees and senior management can lead to reduced motivation and employee turnover. When employees are not sufficiently included in decision-making processes or their views are not adequately considered, organizational commitment may decline. Insufficient communication and management support can also hinder the company’s ability to achieve its strategic objectives.	<ul style="list-style-type: none">Declining employee engagement and loss of motivationInability to present ideas that would move the company forwardPoor committee managementFailure to take employee feedback into accountIncreased work stress due to communication problemsDecreased operational efficiency	<ul style="list-style-type: none">Expanding suggestion systemsEstablishing processes, such as an effective Sustainability Committee managed by senior leadership alongside the Environment and OHS groups, through which opinions and proposals are gathered and implementedIncorporating employee views into decision-making mechanismsOrganizing events and a series of meetings where senior management
DEALER MANAGEMENT	Coordination gaps or insufficient support in dealer management can negatively affect dealer performance, making it harder to achieve overall sales targets. Failing to provide dealers with adequate training, information, and tools can hinder effective promotion of products and services and impede sales activities. Weak relationships with dealers can also lead to customer dissatisfaction and missed market opportunities. By establishing effective management and support mechanisms for dealers, it becomes possible to enhance their capabilities and improve sales performance.	<ul style="list-style-type: none">Loss of customers, reputational damage, and financial lossesDisruptions in after-sales servicesPresence of shared dealersIneffective dealer communications negatively impacting TEMSA’s reputationInsufficient number of dealersDifficulties accessing dealersDealers failing to reflect TEMSA’s cultureDealers not acting in accordance with TEMSA’s code of ethics, human-rights approach, and sustainability strategies (e.g., employing child labor)	<ul style="list-style-type: none">Carrying out awareness activities and events to convey TEMSA’s culture to dealersIncluding dealers in training and onboardingCreating areas for progress and development by integrating dealers into TEMSA’s internal workTracking dealers through an effective mechanismAdvancing dealer practices with a focus on sustainabilityConducting studies to evaluate dealer performanceIncreasing customer satisfaction, revenue, and reputation through effective dealer management strategies
FREEDOM OF ASSOCIATION	Lack of freedom of association for employees can undermine trust in the workplace and reduce employee satisfaction. Barriers that prevent employees from exercising their union rights can damage labor relations. Providing a work environment that respects freedom of association protects employees’ rights while also strengthening the workplace culture.	<ul style="list-style-type: none">Disruptions or delays in workplace activitiesDisputes between the organization and employeesIncreased budget needs due to union demandsA potentially negative workplace atmosphereSituations that could damage reputation and the culture of workplace safetyDecreased employee satisfaction and engagement	<ul style="list-style-type: none">Strengthening employee rightsHigher employee satisfaction and motivation by addressing the union’s demandsCreating a collaborative environment between the organization and the unionEstablishing communication channels for union representatives to voice needs and requestsReflecting union decisions and views in approaches that contribute to operational efficiencyEnhanced reputation

RISK AND OPPORTUNITY MANAGEMENT

ASSESSMENT OF IMPACT, VULNERABILITY, AND CLIMATE RESILIENCE FOR SUSTAINABILITY RISKS AND OPPORTUNITIES

When we assess our environment- and climate-focused risks and opportunities, we see that the most significant impact concerns the capacity of our current products and portfolio to comply with national and international standards. To manage energy-related risks, we have used 100% renewable electricity for our production operations’ power consumption over the past two years. We take a proactive approach to the drought and water scarcity risks accompanying climate change. We regularly monitor water stress in the regions where we operate and take actions to reduce water consumption. By closely following changing customer expectations and market dynamics, we are developing solutions aligned with a low-carbon economy and aim to gradually transition our product range to zero-emission vehicles. Through our R&D activities and collaborations, we develop innovative solutions and integrate circular-economy principles into our product and process designs. We work with our stakeholders to improve material-sourcing efficiency and optimize resource use.

In the social sphere, we integrate a diversity, equity, and inclusion approach into our strategy. We continuously improve occupational health and safety standards and manage psychosocial risks.

We carry out talent and career-management activities and deliver training and development programs that strengthen employee engagement. In line with our human-rights practices and responsible supply-chain approach, we clarify our expectations with our suppliers and dealers. We manage our social impact through respect for union rights, fair and safe working conditions, and investments in local communities.

In governance, we prioritize ethical principles and compliance policies, anti-bribery and anti-corruption practices, corporate governance and transparency, data privacy and cybersecurity, and customer health and safety. We integrate the sustainability and climate agenda into decision-making at the Board and senior-management levels; through processes such as digitalization, crisis control, business continuity, and after-sales services, we enhance control, traceability, and service quality across the value chain.

We incorporate all risks and opportunities spanning our value chain and business model into our company strategy, decision processes, and investment plans, and we regularly track the financial impacts of these risks and opportunities. Thanks to this systematic approach, we are building a future-ready and resilient organizational structure, expanding our capacity to manage risks and opportunities.

At TEMSA, we address the assessment of impacts and vulnerabilities related to sustainability risks and opportunities through a robust, integrated risk-management system. In this context, our Impact Assessment defines “impact” as the depth and breadth of the consequences a given risk could create for TEMSA. To measure and manage impact accurately, we classify each risk into five categories according to its magnitude and potential outcomes. In addition, through the [Double Materiality Analysis](#) we conducted in 2024, we incorporated the principle of double materiality into how we manage impacts. With this approach, we evaluated both the external dimension of environmental and social impacts (the effects of TEMSA’s activities on the environment and society) and the financial dimension of these impacts. By incorporating stakeholder feedback into the work, we created a comprehensive analytical framework that shapes our strategic priorities and guides our future decision-making processes.

In our Vulnerability Assessment, we define “vulnerability” in connection with TEMSA’s state of readiness, agility capacity, and ability to adapt in the face of a given risk. We detail the vulnerability assessment using scales specific to each risk category and rate TEMSA’s resilience level for each risk from 1 to 5. This scaling clearly reveals the level at which our company can respond, depending on the nature of the risk and its potential impacts.

The vulnerability assessment examines elements such as climate change, natural resource use, human rights, occupational health and safety, ethics and compliance, and the supply chain. For example, in climate-related physical risks, we assess potential scenarios and climate pathways by analyzing the geographic location of production facilities, infrastructure resilience, and supply-chain sustainability. In the social sphere, we measure vulnerability levels by considering employee competencies, stakeholder relations, and diversity, equity, and inclusion. Potential impacts on TEMSA’s financial position, supply chain, and reputation are also evaluated systematically within a governance framework.

Within the scope of climate resilience, we focus on strengthening our company’s ability to withstand physical and transition risks stemming from climate change. Building on our SBTi-approved emissions targets, we develop low-carbon production and mobility solutions. At the same time, through circular-economy practices, water-efficiency projects, and our energy-management systems, we aim to optimize resource use and manage our impacts.

OUR BUSINESS CONTINUITY AND CRISIS CONTROL APPROACH AT TEMSA

We are committed to maintaining our operations seamlessly and consistently in order to deliver reliable, high-quality products to our customers. In line with our Information Security and Business Continuity Policy, we implement leading practices in these areas as a model company in the automotive sector. By adapting to changing market dynamics, we sustain stable growth, create value for our customers, and collaborate effectively with our supply-chain partners. Our business continuity management is structured on emergency and crisis management: Emergency Management processes are coordinated by EHS, while Crisis Management is carried out by the Risk Directorate. The preparation of the Crisis Management Procedure and scenario-based instructions, as well as simulation exercises for the Crisis Management Team, is ongoing.

Approximately **1,910** people participated in the training conducted within the scope of business continuity.

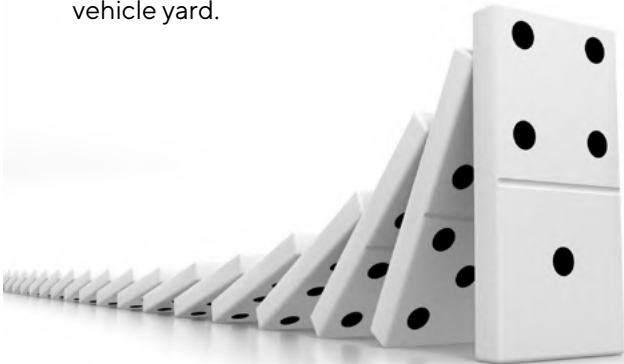


During the reporting period, to further strengthen our business continuity strategy, we worked on comprehensive risk assessments, technological infrastructure enhancements, and business processes designed to increase supply-chain resilience. In this context, we conducted awareness-raising drills, simulations, surveys, and training. In addition, together with the business continuity agile team, we identified risks that could affect continuity. As a result of our analyses, we identified potential catastrophic events that could impact business continuity, including climate-related risks (wildfire, flood, drought, etc.), natural disasters (e.g., earthquakes), and outbreaks/pandemics.

Within our crisis-control projects, we aim to ensure employee safety and minimize potential harm to the environment and our company by delivering the most up-to-date notifications to our employees through multiple communication channels. Through the Crisis Control System, critical incident management, mass and emergency notifications, employee location tracking, detailed reporting, and evacuation processes are carried out effectively.

To prepare for potential crisis scenarios, we conduct regular drills on earthquakes, chemical spills, fires, and crisis communications. The TEMSA Crisis Management Committee actively participates in these drills, strengthening coordination during crises and increasing the effectiveness of processes. Through these efforts, we aim to raise awareness among both our employees and Committee members regarding their roles and responsibilities.

As part of preparedness for destructive events such as earthquakes, Light Search and Rescue Teams have been established within TEMSA. Consisting of nine primary and nine alternate members, these teams are supported by TEMSA with the equipment needed to provide rapid and effective intervention during crises. In addition, to ensure the safety and meet the needs of our employees during crisis periods, 10 containerized living units are kept ready in the factory vehicle yard.



Disaster Recovery Center

To ensure uninterrupted continuity of critical business processes, the Disaster Recovery Center (DRC) is activated in the event of a potential outage or disaster at the primary data center. This center safeguards operational continuity. Thanks to mechanisms that are automatically triggered at the moment of an interruption, critical systems begin operating on backup systems. In addition, all processes, including RTO and RPO, are tested at least once a year through disaster-scenario drills. Two drills were carried out in 2024. With this structure, customer satisfaction is preserved during unexpected interruptions, while financial and operational risks are kept to a minimum. Furthermore, within the data-center services operated by TEMSA, there is also a Digital Systems Business Continuity Procedure that aims to set out the emergency actions of the DRC process in the event of prolonged outages of multiple services, natural disasters (fire, flood, earthquake), cyberattacks, terrorism, or force majeure; this procedure covers all activities.

COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

In line with our goal of becoming one of the world’s leading mobility companies, we closely monitor the increasing expectations of regulatory authorities, global trends, and the latest developments in compliance. The foundation of our business processes is built on respect for ethical values, transparency, and accountability. Within this framework, we adhere to the principle of integrity in all our stakeholder relationships, offering a reliable and transparent working culture and organizational structure. We continuously enhance our corporate governance framework to ensure full compliance with regulations and to maintain stakeholder trust.

In our governance structure, we address risks and opportunities through an integrated perspective, operating an audit and control mechanism focused on value creation. We implement our sustainability strategies in full alignment with our corporate governance approach. In doing so, we demonstrate a governance understanding that not only complies with national and international standards but also exceeds the best practices of our sector. The strong bond we have established through our principle of integrity reinforces our leadership in corporate governance and sustainability. Thus, we are shaping the future of mobility through a sustainable and responsible growth model.

➤ Sustainability-Linked Policies

- Environmental Policy
- Biodiversity Policy
- Energy Policy
- Water Policy
- Social Sustainability Policy
- Sustainable Value Chain Policy
- Customer Health and Safety Policy
- Equal Opportunity, Diversity, and Inclusion Policy
- Occupational Health and Safety Policy
- Life Cycle Assessment Policy
- Compliance Policy
- Responsible Procurement Policy
- Code of Conduct
- Information Security and Business Continuity Policy

Our sustainability approach is built upon a policy integrity that guides all our operational and strategic decisions. At TEMSA, we implement a comprehensive policy framework that integrates environmental, social, governance, and ethical dimensions—starting from the effective management of natural resources such as the environment, energy, water, and biodiversity. This framework is based on combating the climate crisis, ensuring resource efficiency, implementing circular economy practices, protecting employee rights, ensuring customer safety, and adopting responsible business practices across the supply chain. Each policy is prepared in compliance with relevant national legislation, international standards, and sectoral best practices. Our policies are also supported by references such as ISO 14001 Environmental Management System, ISO 50001 Energy Management System, ISO 45001 Occupational Health and Safety Management System, ISO 26000 Social Responsibility Guidance, and the United Nations Global Compact. Complementing our corporate sustainability goals, these policies serve as actionable management tools.

Through our Equal Opportunity, Diversity, and Inclusion Policy, we ensure an inclusive working environment, while our Responsible Procurement Policy and Sustainable Value Chain Policy enable us to manage the integration of sustainability expectations into our procurement and value chain processes.

Our Compliance Policy, Code of Conduct, Information Security, and Business Continuity frameworks reinforce our strong commitment to ethics, compliance, transparency, and information security. We periodically review each policy, monitor them through performance indicators, and disclose our progress to the public through our sustainability reports. In this way, we maintain an approach that aligns with sustainability, supports our strategies, and reflects our corporate governance structure.

Our corporate governance principles shape our sustainability strategy around trust, transparency, and accountability.



ETHICS AND TRANSPARENCY

As a company operating on a global scale, we uphold our ethical values in the course of our operations.

➤ **TEMSA Code of Business Ethics and the General Code of Conduct**, both binding for all parties with whom we have business relationships, set out our employees’ responsibilities and the principles we apply in our relations with stakeholders. Under ➤ **TEMSA Ethics Procedure**, we outline the duties and responsibilities related to our ethical rules. Through our Ethics Activity Report, we disclose our practices within this framework and monitor our impact. We act in accordance with the Ethics Committee Working Directive. In the last reporting period, pursuant to the EU Whistleblowing Directive, we established our Ethics Hotline for TEMSA and its subsidiaries with Sanction Trace, an independent third-party company. Thanks to Sanction Trace’s software, we regularly screen all our business partners against both Turkish and international sanctions lists. In addition, through integration with the Union of Chambers and Commodity Exchanges of Türkiye (TOBB), we activated the “Trade Registry Monitoring” module. This enables us to learn promptly of any changes in the trade registry records of all domestic customers and suppliers, allowing us to take swift action and reduce third-party risks.

Sanction Trace is designed to preserve the anonymity of the ethics reporting system. Reports submitted from the workplace, from home, from any computer, or via the internet portal will remain secure and anonymous. Visitors to the internet portal are not identified by on-screen names, and the Sanction Trace ethics reporting system does not store IP addresses, thereby ensuring anonymity.

In all reporting processes, our company policies stipulate that confidentiality is a fundamental principle, that identity information will not be required or retained, and that individuals involved in a matter will not be allowed to influence the process. Under no circumstances does TEMSA impose or permit any sanction against individuals who make honest and good-faith reports, nor does it allow reports to be used against those who are reported. TEMSA encourages all employees and stakeholders it interacts with to share their ethics-related concerns.

While the process features an anonymized online form, all parties have the option to provide contact information or remain anonymous. Using the code assigned by the system, reporters can ask follow-up questions, add information or documents, or contact members of the Ethics Committee. To promote the use and visibility of the Ethics Hotline, we prepared a promotional film in 2023 and shared it with all TEMSA employees.

Reports submitted to the TEMSA Ethics Hotline are monitored exclusively via an administrator interface accessible only to Ethics Committee members, and confidentiality is prioritized throughout the process. The Ethics Hotline can be accessed 24/7 from anywhere in the world in three languages (English, French, and Turkish).

Through the Turkish Ethics & Reputation Society (TEİD), we participate in Ethics & Compliance workshops and the annually organized International Ethics Summit. We also hold the Ethics & Compliance Manager certificate awarded through TEİD’s Ethics & Compliance Management training program.

The TEMSA Code of Conduct sets out the core standards for the values, principles, and ethical rules embraced in our operations. By always adhering to our code of conduct, and guided by our vision to be a human-centered institution, we continue to make meaningful contributions to our world and society. The Code of Conduct is defined in line with ethical values and principles, such as integrity, honesty, respect, solution-orientation, transparency, passion, ownership, responsibility, innovation, active participation, strategic thinking, and sustainability, that support our company’s success and reputation in the sector. The Code also covers our business partners, authorized TEMSA dealers and service providers, customers, suppliers, shareholders, executives, and representatives.

It expects these third parties to act in accordance with the TEMSA Code of Conduct in their business and transactions as well. Additionally, reflecting the responsibility of being present on the international stage, we have made our Code of Conduct and our Ethics & Compliance page on our website more accessible by offering them in four languages (English, German, French, and Turkish).

The TEMSA Business Ethics Rules set out our approach to issues such as anti-bribery and anti-corruption, human resources, human rights, and environmental protection. These rules guide our operations both domestically and internationally and position us as a responsible corporate citizen. In line with Sabancı Holding procedures, all internal and external stakeholders can report ethics-rule violations to the TEMSA Ethics Rules Advisor at etik@temsa.com and/or to Sabancı Holding via etik@sabanci.com and by phone at +90 212 385 85 85, or by postal mail to the Ethics Committee. In 2024, we received seven reports from employees or external stakeholders regarding ethics-rule violations, and we resolved all of them.

We received no violation reports on environmental or social matters in 2024.

COMPLIANCE PERFORMANCE



Through the **Business and Human Rights Program**, we had the opportunity to recognize good practices, co-develop solutions to challenges, and deepen our internal strategy.

Sena Özer,
Attorney

We track our compliance performance through the **TEMSA Compliance Policy**. Each department has a Compliance Officer responsible for ensuring the implementation of compliance policies and procedures and for coordinating with the Chief Legal Counsel and the Compliance Directorate. Reporting to the Chief Legal Counsel and the Compliance Directorate, a specialized compliance attorney also oversees processes in this area. As part of the compliance universe study conducted in 2023, Compliance Officers were appointed across all TEMSA business units, and these officers monitor the regulations assigned to them in the compliance universe table.

Participation in the UNGC Business and Human Rights Accelerator Program

To strengthen its human rights-focused corporate approach and align with international standards, TEMSA participated in the UNGC Business and Human Rights Accelerator Program. Aiming to promote the widespread adoption of human rights due diligence in the business world, the program featured TEMSA as a speaker in the global closing session, where the company shared its experiences and learnings regarding the program and presented its Human Rights action plan to an international audience, thereby showcasing examples of good practice.

TEMSA employees are obliged to report any violations or potential violations of legislation, policies, or procedures either through their department's Compliance Officer or directly via email to **uyum@temsa.com**.

Compliance Officers submit department-specific compliance reports on a quarterly basis to the Chief Legal Counsel and the Compliance Directorate, including risk analyses. We prepare these risk analysis reports through activities such as one-to-one interviews with employees and surveys. Based on these reports, new policies and procedures may be drafted, or existing ones updated, within the scope of risks to which TEMSA is or may be exposed. In our risk-analysis processes, we focus on anti-bribery and anti-corruption, respect for employee and human rights, conflicts of interest and business ethics, import and export regulations and third-party due diligence, prevention of money laundering and terrorist financing, competition law compliance, protection of personal data, confidentiality and data security, environmental protection, and protection of intellectual property rights. Our assessments cover all of our activities (100%).

In 2024, there was no public lawsuit filed or penalty imposed against our company or our employees in relation to bribery and corruption. We also had no lawsuits or non-compliance penalties against us regarding the protection of personal data, competition matters, or environmental, social, and corporate governance issues.

At TEMSA, we manage our activities under the ISO 37301 Compliance Management System certification, demonstrating our commitment to complying with legal and regulatory requirements and to following best practices in this field.

Throughout the reporting period, we carried out extensive work to document our ethics and compliance processes. As part of our anti-corruption efforts, we updated the Gifts and Hospitality Procedure and conducted related awareness activities. We revised our competition procedures and reviewed standard contracts and critical data-protection documents, such as those under the KVKK (Turkish Personal Data Protection Authority) and GDPR, from a competition perspective. Within initiatives like the Digital Assistance, Otosoft-Alga integration, and GSR compliance projects, we undertook documentation efforts in line with the KVKK and GDPR. To ensure the safe and responsible use of internal AI applications, we prepared an Employee Undertaking and organized awareness trainings. In this context, we formed an AI Working Group called the AWA-AI Compliance Team, comprising TEMSA's IT, Risk, Audit, and Legal teams. In 2024, the Working Group held three meetings, assessed risks related to AI-use processes, and defined control mechanisms.

COMPLIANCE PERFORMANCE

To increase awareness of and access to the Ethics Hotline, we prepared the “Ethics Hotline Whistleblower Procedure.” We conducted awareness activities by periodically sharing information notes, covering our subsidiaries in the United States, Germany, and France, on the hotline’s operation and importance. We also placed informative posters in areas with high employee traffic across our companies to enhance the visibility and awareness of the ethics-reporting mechanism. Work has begun on preparing the Procedures for the Prevention of Workplace Bullying and Fraud and for Diversity and Inclusion; once completed, these processes will further advance the institutional capacity of our ethics and compliance system.

In 2024, we delivered 2,105 hours of ethics-related training.

We provided the annual general compliance and ethics training to all TEMSA employees. To analyze participants’ learning outcomes, we administered assessment questions at the end of the training, and awards were given to the top three participants. Additionally, in 2024 we provided 2,326.5 hours of compliance training. We organized trainings for authorized dealers and service providers on KVKK, competition, compliance, and contracts, and shared informational materials.

We delivered ethics and compliance trainings for authorized service managers. For new hires, we conducted a Legal and Compliance Orientation. Online trainings focused on KVKK and competition have been prepared and are planned to be assigned annually to all employees in the coming period.

We have made it mandatory for all customers, dealers, and suppliers we work with to approve the TEMSA Legal Compliance Undertaking. Prepared in multiple languages, this undertaking is signed as an appendix to the Non-Disclosure Agreement (NDA) and covers sanctions and export controls, anti-bribery and anti-corruption, prevention of money laundering and terrorist financing, ethics, universal human rights, and compliance with environmental regulations. In addition, a compliance-check stage has been added to On-Site Inspection Audits for service providers and suppliers, and a compliance question set has been integrated into the New Supplier Evaluation Form.

In 2024, the initiative to have the Legal Compliance Undertaking signed by 447 approved suppliers as well as our authorized dealers and service providers was carried out. The process was completed at a rate of 96% by suppliers and 100% by dealers/service providers. We will continue to conduct our ethics and compliance activities proactively, taking into account trends, megatrends, global developments, and national and international standards.

Business Ethics Performance Summary 2024	
Number of reports received via the Ethics Hotline	7
Number of Ethics Hotline reports resolved within the year	7
Number of discrimination reports received via the Ethics Hotline	2
Number of disturbance/harassment reports received via the Ethics Hotline	1
Number of child labor/forced labor reports received via the Ethics Hotline	0
Number of information security reports received via the Ethics Hotline	0
Total hours of ethics training delivered	2,105
Employee coverage rate of ethics training	100
Anti-Bribery and Anti-Corruption 2024	
Number of identified bribery/corruption cases	1
Number of disciplinary actions issued to employees due to bribery/corruption	0
Number of public lawsuits filed against the company related to bribery/corruption	0
Compliance 2024	
Total compliance training hours provided to white-collar employees	2,326.5

SUSTAINABILITY PRIORITIES

In 2024, we carried out a comprehensive double materiality analysis to evaluate the impacts of our company’s activities on the environment, society, and the economy from a holistic perspective. In this process, we conducted surveys to understand the views of our internal and external stakeholders. The collected data were analyzed together with global and sectoral trends, risk and opportunity analyses, developments in regulations, assessments by the company’s senior management, and information drawn from international frameworks such as CDP and SASB. This approach enabled us to assess our environmental and social impacts alongside financial outcomes. Grounding our work in the double materiality approach, we ensured that topics were evaluated from both “outside-in” and “inside-out” perspectives. From the outside-in perspective, we analyzed the potential financial effects of environmental and social developments. From the inside-out perspective, we examined the impacts of our company’s activities on the environment and society.

During the analysis, we scored each topic against criteria such as time horizon, value chain, scale of impact, scope, compensability, likelihood, and financial impact. Through these criteria, we systematically revealed both the magnitude of impacts and the extent to which our company could be affected by them.

As a result of the assessment, we defined a universe of twenty-nine materiality topics. Ten of these were identified as very high material. Human rights, employee health and safety, the climate crisis, financial performance, electric vehicles and battery technologies, compliance with national and international standards, data privacy and cybersecurity, compliance with corporate governance principles, ethics and transparency, and driving-safety practices were included in this group. These topics were deemed critical due to the management of environmental and social impacts as well as the financial effects that guide our company’s strategic decisions. In particular, issues such as human rights, the climate crisis, and electric vehicles and battery technologies stood out as transformation areas shaping the future of the sector.

The ten topics identified as ‘high material’ consist of areas with strong environmental and social impacts whose financial consequences become more pronounced in the medium and long term. This category includes risk and crisis management; brand reputation and loyalty; water and wastewater management; customer satisfaction and experience; waste management and circular economy; energy management; air quality and emissions management; sustainable innovation, R&D and digitalization; employee development, engagement, satisfaction and communications; and a responsible supply chain.

Among the external factors that heighten the importance of these issues are regulations on vehicle standards, the EU Carbon Border Adjustment Mechanism (CBAM; SKDM in Turkish), and circular-economy practices.

Nine topics were placed in the “material” category. These are areas with the potential to create long-term strategic value and that require close monitoring. This group includes equal opportunity, diversity and inclusion; sustainable governance and communications; product life cycle; a social-impact-oriented working approach; biodiversity protection; nature-based solutions; opportunity management and responsible investment; logistics management practices; and stakeholder engagement. Biodiversity and nature-based solutions have gained importance at a time when global reporting standards and nature-positive strategies are on the rise.

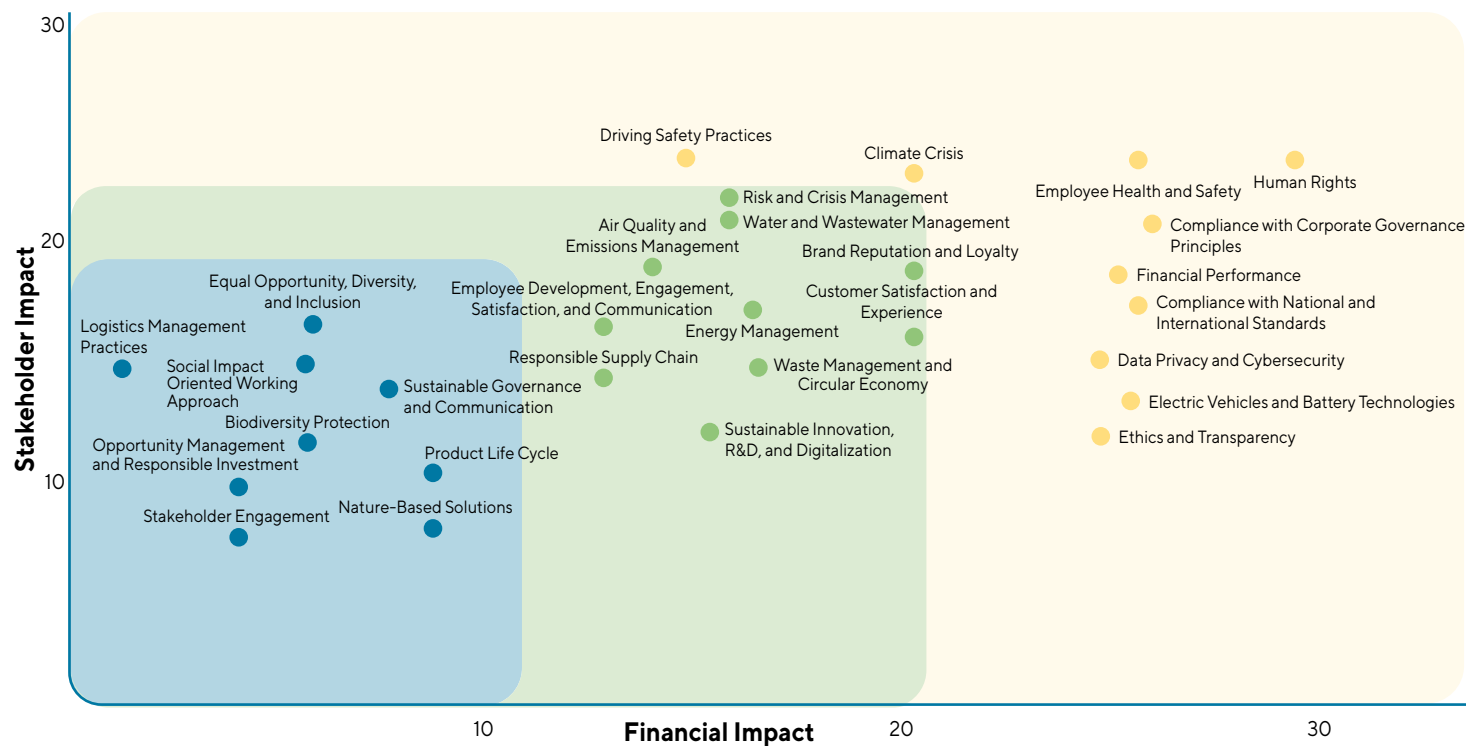
The results of the double materiality analysis provide a guiding foundation for shaping our company’s short-term risk-management strategies and long-term investment plans. In terms of environmental and social impacts, the climate crisis, human rights, and employee health and safety received the highest scores; in financial impacts, electric vehicles and battery technologies, the responsible supply chain, energy management, and brand reputation were identified as critical areas. In line with these assessments, targets, performance indicators, and action plans will be established for each topic. In addition, when reporting under the Türkiye Sustainability Reporting Standards, the findings from this analysis will be used as a primary reference.

In summary, this analysis has provided a strong decision-support tool for implementing our sustainability strategy and has built a solid bridge between stakeholder expectations and global standards.

Following our work on the universe of priority topics, we conducted a TEMSA Sustainability SWOT Analysis. We identified sustainability-oriented risks and opportunities arising from our strengths, areas for improvement, and sectoral developments. Within our strategy, we determined our priority topics and created our ➤ **“2024 Materiality Matrix.”** This work was carried out in alignment with our Enterprise Risk Management (ERM) processes, ensuring that our sustainability strategy is integrated with risk management.



2024 MATERIALITY MATRIX



Very High Materiality Issues

- Human Rights
- Employee Health and Safety
- Climate Crisis
- Financial Performance
- Electric Vehicles and Battery Technologies
- Compliance with National and International Standards
- Data Privacy and Cybersecurity
- Compliance with Corporate Governance Principle
- Ethics and Transparency
- Driving Safety Practices

High Materiality Issues

- Risk and Crisis Management
- Brand Reputation and Loyalty
- Water and Wastewater Management
- Customer Satisfaction and Experience
- Waste Management and Circular Economy
- Energy Management
- Air Quality and Emissions Management
- Sustainable Innovation, R&D, and Digitalization
- Employee Development, Engagement, Satisfaction, and Communication
- Responsible Supply Chain

Materiality Issues

- Equal Opportunity, Diversity, and Inclusion
- Sustainable Governance and Communication
- Product Life Cycle
- Social Impact Oriented Working Approach
- Biodiversity Protection
- Nature-Based Solutions
- Opportunity Management and Responsible Investment
- Logistics Management Practices
- Stakeholder Engagement

ECONOMIC IMPACTS AND LOW-CARBON GROWTH

- » Economic Performance and Sustainable Products
- » Value Chain Management
- » Responsible Procurement and Supply Chain Management
- » Product Safety and Quality Management

GOALS

- To raise safety awareness, we run awareness programs and aim to increase, year over year, both the number and the scope of our trainings, driving sessions, and briefing meetings.
- We track the Product Recall Process within our KPIs and aim to keep “Product Recalls” to a minimum.

DIGITALIZATION, R&D, AND INNOVATION-ORIENTED IMPACT

- » R&D and Innovation
- » Value-driven Information Technologies and Digitalization Architecture

GOALS

- As the first company in Türkiye to receive R&D Center certification, we aim to lead the change in R&D and innovation.

SOCIAL IMPACTS AND A HUMAN-ORIENTED ORGANIZATION

- » Human Rights
- » Employee Development, Engagement, and Communication
- » Equal Opportunity, Diversity, and Inclusion
- » Social-impact-oriented Working Approach
- » Occupational Health and Safety

GOALS

- We aim to increase women’s employment in our recruitment processes and are taking concrete steps and providing the enabling environment to achieve this.
- We aim to publish the TEMSA report on Diversity, Equity, and Inclusion from a Social Sustainability perspective.
- We aim for the stories of our blue-collar women employees to inspire people around the world.
- We plan to continue in the coming years the Safe and Economic Driving Techniques training that began in 2022, with the participation of 200 TEMSA drivers.
- Within the Haya Otobüsü (Dream Bus) project, through our workshop trainings, we aim to help children recognize their inner resources, become aware of their expectations and aspirations, and encourage them to pursue their dreams.















ENVIRONMENTAL IMPACTS AND SUSTAINABLE OPERATIONS

- » Our Environmental Management Approach
- » Combating the Climate Crisis
- » Energy Management
- » Air Quality Management and Emissions Control
- » Waste Management and Circular-Economy Practices
- » Water and Wastewater Management
- » Nature-based Approaches

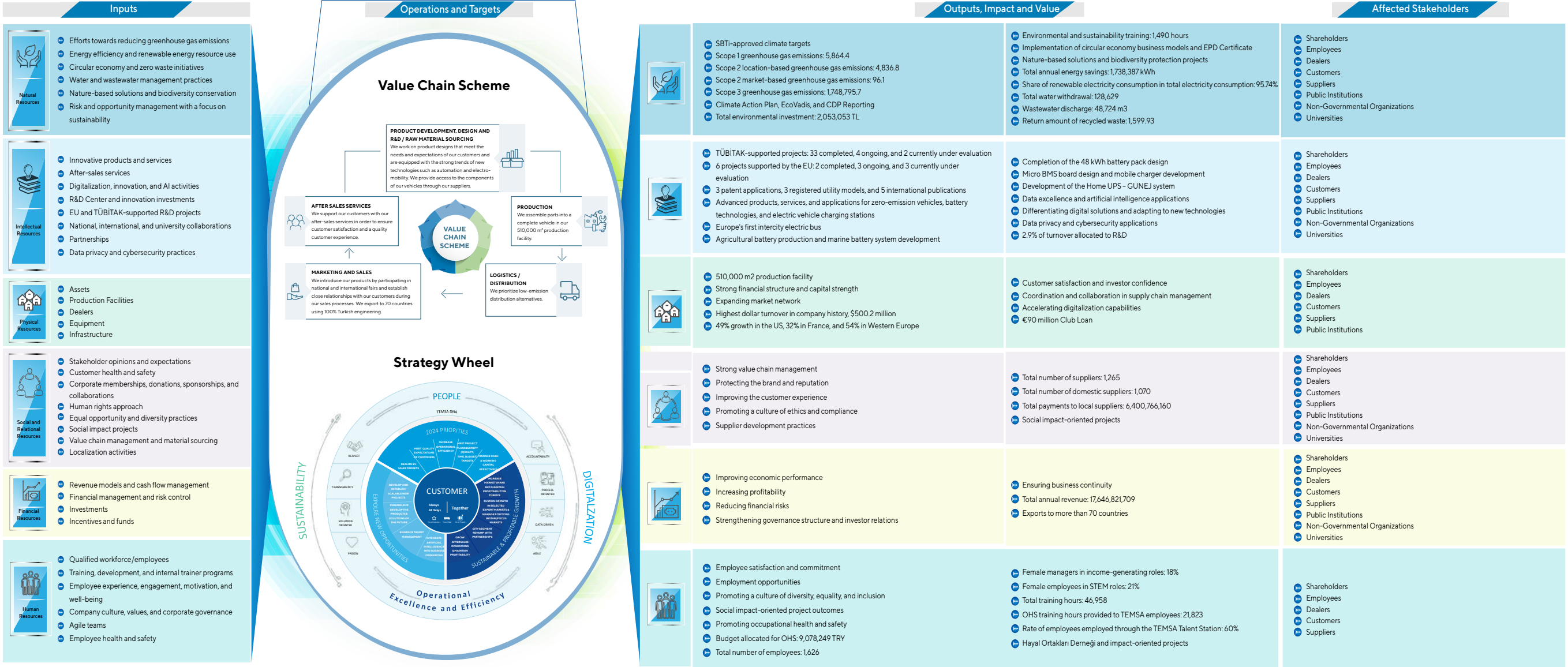
GOALS

- In 2025, we aim to set a target for the CDP Water Security Questionnaire and complete Phase I of the Adana Campus Carbon Footprint Reduction and Carbon Sink Creation – Biodiversity Project; in 2026, we plan to complete Phase II. In 2025, we will also publish the 1st TEMSA Report on Diversity, Equity, and Inclusion from a Social Sustainability Perspective.
- In 2026, within our IMPACT program, we aim to expand the scope of our sustainable supply-chain management project to include authorized service centers/dealers and complete the transition to end-to-end value-chain management.
- By 2030, we aim to reduce Scope 1 and Scope 2 emissions by 68.6% versus the 2021 base year; and reduce water consumption per bus equivalent by 42% versus the 2022 base year. By 2030, we also aim to reduce well-to-wheel Scope 3 greenhouse-gas emissions from the use of sold buses and minibuses by 42% compared to the 2023 base year, and by 59.6% per passenger-kilometer. In 2030, we aim to design certain products according to circular principles and achieve improvements in the ESG performance of our critical suppliers.
- By 2040, we aim for our entire product range to consist of zero-emission vehicles, and, working with our stakeholders to maximize material resource efficiency, to facilitate the transition to a circular economy.
- By 2045, we aim to achieve our zero-waste target and move away from disposal through landfilling and incineration.
- By 2050, we aim to reduce Scope 1 and 2 greenhouse-gas emissions by 90% versus the 2021 base year and to reduce Scope 3 emissions from purchased goods and services and the use of sold products by 97% per passenger-kilometer versus the 2023 base year. In addition, within our circular-economy goal, we aim to reach 50% circular flows by 2050.

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

Contribution of Priority Topics to the Sustainable Development Goals															
Very High Materiality Issues	Human Rights			5.1 - 5.2			8.7								
	Employee Health and Safety	3.9	4.3				8.8				12.4				
	Climate Crisis											13.1-13.3			
	Financial Performance						8.2-8.4- 8.5	9.2			12.6				
	Electric Vehicles and Battery Technologies					7.2		9.4			12.2	13.2-13.3			
	Compliance with National and International Standards													16.6	17.14
	Data Privacy and Cybersecurity										12.6			16.6	
	Compliance with Corporate Governance Principles													16.6	17.14
	Ethics and Transparency						8.5- 8.7							16.5	
	Driving Safety Practices	3.6								11.2					
High Materiality Issues	Risk and Crisis Management						8.2-8.8			11.b		13.1-13.2		16.6	
	Brand Reputation and Loyalty						8.8				12.6 12.8			16.6	
	Water and Wastewater Management				6.3										
	Customer Satisfaction and Experience										12.6-12.8				
	Waste Management and Circular Economy										12.2- 12.5				
	Energy Management					7.2 - 7.3						13.3			
	Air Quality and Emissions Management									11.6		13.2			
	Sustainable Innovation and Digitalization					7.2	8.2			11.2					
	Employee Development, Engagement, Satisfaction, and Communication		4.4-4.7				8.2-8.8		10.3						
	Responsible Supply Chain										12.2-12.5-12.6				17.17
Materiality Issues	Equal Opportunity, Diversity, and Inclusion		4.5	5.1-5.5					10.3						
	Sustainable Governance and Communication														17.14-17.17
	Product Life Cycle										12.2- 12.5				
	Social Impact Oriented Working Approach		4.4-4.5	5.1-5.2-5.5						11.2-11.3					
	Biodiversity Protection										12.2		15.5		
	Nature-Based Solutions										12.2		15.5		
	Opportunity Management and Responsible Investment						8.2				12.2-12.5-12.6	13.2-13.3		16.6-16.7	
	Logistics Management Practices							9.1-9.4		11.2-11.6					
	Stakeholder Engagement														17.16-17.17

SUSTAINABILITY-ORIENTED VALUE CREATION MODEL



OUR SUSTAINABLE GOVERNANCE AND EFFECTIVE COMMUNICATION STRATEGY

Our key stakeholders are those who are directly affected by our activities, play a critical role in achieving our business goals, and collaborate with us. With our first sustainability report presented in 2020, we examined our stakeholder ecosystem comprehensively and clearly identified the key stakeholders of strategic importance.

We focus on developing innovative tools to build sustainable and effective communication with all stakeholders in this ecosystem. By continuously updating our communication strategies, we create a transparent dialogue environment that delivers mutual benefit. We also track our goal of reviewing and refreshing our stakeholder list every two years. In the previous reporting period, we reassessed our stakeholder universe and further strengthened our communication processes with key stakeholders. As TEMSA, while pursuing our sustainability goals, we always view establishing a strong and ongoing dialogue with our key stakeholders as a top priority.

With our approach to sustainable governance, effective communication, and strong social dialogue, we create value with all our stakeholders.

SOCIAL DIALOG

To amplify social impact in the automotive sector, we foster a robust environment of social dialogue and collaboration with all stakeholders. By understanding our customers’ expectations and improving the customer experience, responding to the needs of our employees, and demonstrating an ethical and transparent approach across our supply chain, we support social dialogue and industrial harmony.

At TEMSA, grounded in diversity, equity, and inclusion, we aim to maximize our employees’ talents and advance our work. Through training programs, corporate responsibility and sustainability projects, and collaboration initiatives, we strive to uphold a social dialogue approach within our industry. In this context, we carry out efforts across our entire value chain, with our employees, our most valuable stakeholders, at the forefront.

To strengthen employee participation in work and decision-making mechanisms, regulate employee–employer relations, ensure our people work in an environment aligned with ethical principles, and preserve our transparency, we maintain union activities across our entire blue-collar workforce. We also implement a collective bargaining process for all blue-collar employees covering remuneration, social benefits, working hours, and safe working conditions. Our current collective bargaining agreement remains in effect for 2023–2025. Through initiatives that support the social dialogue we maintain with our customers and suppliers, we prioritize managing supply–chain relationships in our sector, sharing information for product/service development, promoting a sustainability approach in business, and building a social ecosystem focused on innovation.

Stakeholder Engagement and Communication

Stakeholders	Communication Platform	Frequency of Communication
SHAREHOLDERS	General Assembly meetings	Quarterly
	One-on-one interviews and meetings	Regularly
	Financial result evaluation meetings	Monthly
EMPLOYEES	Suggestion recognition and reward system (TEMSA Star)	Daily
	Intranet	Daily
	SMS	At least once a month
	Internal publications (TemPO)	At least once a week
	Bulletins (TEMSA Newsletter, TEMSA Academy, TEMSA Glocal Post)	Monthly/Weekly
	Trainings	Regularly
	Seminars	Regularly
	Road meetings	Annually
	Work Groups & Committees	At least once a month
	Social events	Regularly
DEALERS	Dealer meetings	At least once a week
	Field visits	Monthly
	Trainings	Annually
CUSTOMERS	24/7 technical assistance to our customers over the call center	Continuously
	Complaint and suggestion system	Continuously
SUPPLIERS	Online portal	Regularly
	One-on-one meetings (face-to-face, e-mail)	Regularly
	Visits, inspections (focus suppliers)	Regularly
PUBLIC INSTITUTIONS	Periodic meetings	Once a month
	Industry channels for industry information requests	Regularly
	Support for established projects & initiatives	Regularly
NON-GOVERNMENTAL ORGANIZATIONS	Association memberships	Regularly
	Work groups	Monthly
	Seminars, conferences, panels	Monthly
UNIVERSITIES	Academic congresses and seminars	Regularly
	Articles and publications, academic research	Regularly
	Training and technical support, sponsorships	Regularly
	Meetings and talks, joint projects	Regularly
	Career days	Regularly

COMPLIANCE WITH NATIONAL AND INTERNATIONAL STANDARDS



GLOBAL DEVELOPMENTS, AUTOMOTIVE INDUSTRY TRENDS AND TEMSA IMPACT ASSESSMENT

In recent years, the transportation and energy sectors have entered a simultaneous transformation. Rising climate risks, uncertainties around energy security, and geopolitical dynamics have rapidly accelerated investments in sustainable technologies. The expansion of renewable energy capacity, the growth of the electric-vehicle market, and infrastructure projects for alternative fuel solutions are among the most important elements of this transformation. Energy storage systems and smart grids enable the reliable management of variable energy sources, creating a bridge between the automotive and energy sectors. These global developments are also driving fundamental changes in the automotive industry’s production and design processes. Electrification is becoming the norm in public transport and commercial vehicle segments, while alternative fuel technologies open up a new field of solutions. Circular-economy practices, ranging from the use of recycled materials in production to the repurposing of parts and components, are being applied broadly, improving both cost efficiency and environmental performance. Traceability in supply chains and transparent data management are spreading rapidly in line with international regulations, redefining the sector’s competitive landscape.

At the global level, climate policies are steering this transition as well. COP29 laid the groundwork for strengthening transport-related emissions-reduction targets and for developing new financing and collaboration models to rapidly scale clean-transport technologies. These decisions, by increasing access to electric and alternative-fuel vehicles, especially in emerging markets, have created a structure that supports sector growth. These dynamics also play a key role in TEMSA’s strategic planning.

TEMSA is expanding its vehicle portfolio in the field of electrification, broadening zero-emission alternatives within public-transport solutions. By intensifying R&D on alternative fuels and battery technologies, the company is pursuing collaborations in this area. It is rolling out circular-economy practices that focus on increasing the use of recycled materials in production and reducing waste. In addition, by establishing systems that ensure traceability in the supply chain, TEMSA is building a structure aligned with global regulations.

Participation in COP29, the United Nations Climate Change Conference

Our participation in COP29 created an important opportunity to track international climate policy and align our sustainability strategies with the global agenda. The engagements held at the summit facilitated information sharing on integration into carbon markets, scaling up hydrogen investments, and developing financing mechanisms. **The key takeaways from our participation can be summarized as follows:**

- Increase in financing provided to developing countries to 300 billion USD per year by 2035
- Clarification of standards for the operation of the Paris Agreement Crediting Mechanism under carbon markets
- Türkiye: Announcement that, within the 2024–2028 Strategic Plan, work will be carried out to establish a National Emissions Trading System, create voluntary carbon markets, and build the infrastructure for a transition to carbon trading
- Türkiye: Announcement of the Long-Term Climate Strategy
- European Commission plan to produce 10 million tons of green hydrogen annually by 2030 and to import an additional 10 million tons; in addition, Hydrogen Council members’ targets to increase total hydrogen investments sixfold by 2025 and sixteenfold by 2030.



In the new era shaped by global climate policies, we are leading the transformation of our industry. Through low-carbon technologies, alternative fuel vehicles, and innovative mobility solutions, we are designing the future of sustainable transportation today.



GLOBAL DEVELOPMENTS, AUTOMOTIVE INDUSTRY TRENDS AND TEMSA IMPACT ASSESSMENT



ELECTRICAL VEHICLES AND BATTERY TECHNOLOGIES

In 2024, electric vehicles (EVs) and battery technologies were positioned as one of the most critical fields in the global energy transition. According to the IEA Global EV Outlook 2024, global EV sales continued to rise with strong momentum, and battery demand increased in parallel. As of 2024, global battery manufacturing capacity reached 2.2 TWh, while current demand stood at 750 GWh. Within battery technologies, lithium iron phosphate (LFP) chemistry stands out thanks to its cost advantage and flexibility in the use of critical minerals. Having exceeded a 40% global market share in past years, LFP batteries contribute to the spread of EVs, especially in cost-sensitive markets. However, because their energy density is lower than nickel- and cobalt-based lithium-ion batteries, this technology remains limited in segments that require long range. Sodium-ion (Na-ion) batteries, on the other hand, are seen as heralding a new era in the battery industry. Based on more affordable sodium resources, this technology has the potential to ease pressures on lithium supply. In sum, as of 2024, battery technologies are shaping the growth of the EV market. Excess capacity, technological innovation, and advances in recycling are emerging as the key dynamics that will determine the sector’s strategic direction in the years ahead.

MOBILITY OF FUTURE

In 2024, autonomous driving and mobility recorded significant progress in the automotive sector in terms of sustainability and efficiency. AI-enabled connected vehicles and autonomous systems offered solutions that increased road safety while optimizing energy use and reducing carbon emissions. Through deployments in major cities, the analysis of real-time traffic and environmental data enabled the selection of optimal routes and reductions in fuel consumption. This improved traffic flow and delivered energy efficiency in both urban transport and logistics operations, reducing the carbon footprint. As their use cases expand, autonomous vehicles are making driving safer and more comfortable while enabling sustainable urban transport. Pilot projects implemented to date have shown that smart mobility solutions can be used effectively in environmentally focused urban planning and transport strategies, making a meaningful contribution to the sector’s environmental performance. According to the IEA Global EV Outlook 2025 – Electric Mobility Perspective, mobility will remain a principal driver of transformation in global transport systems through 2030. The EV fleet, which surpassed 60 million by the end of 2024, is expected to approach 250 million vehicles by 2030, nearly a fourfold increase. While this growth is centered on electric cars, buses, trucks, motorcycles, and micromobility vehicles are also increasingly electrifying.

NET ZERO EMISSIONS AND ENERGY TRANSITION

The year 2024 saw an acceleration of the global energy transition and progress toward net-zero emissions targets in the automotive sector. Within the European Green Deal, new regulations further accelerated the shift to low- and zero-emission vehicles. In Türkiye, new policies and practices came onto the agenda under the Climate Law. According to SHURA’s Türkiye Energy Transition Outlook, Türkiye’s total installed power capacity reached 115.9 GW by the end of 2024, 59.3% of which came from renewable sources. With 4,280.9 MW of solar and 1,058 MW of wind put into operation in 2024, renewable energy investments gained notable momentum.

In 2024, TEMSA continued its investments in electric and alternative-fuel vehicles, the use of renewable-energy sources, and R&D. Our emissions targets, approved by the Science Based Targets initiative (SBTi), demonstrate that we are pursuing an impact-focused path in combating climate change. We regularly monitor progress toward our targets and continue to share it transparently with our stakeholders.

GLOBAL DEVELOPMENTS, AUTOMOTIVE INDUSTRY TRENDS AND TEMSA IMPACT ASSESSMENT

CIRCULAR ECONOMY AND SUSTAINABLE SUPPLY CHAIN



In 2024, circular economy practices in the automotive sector took on a more systematic structure, directly contributing to targets to reduce the sector’s carbon footprint. Recycling emerged as a strategic area for the sustainability of the battery value chain. Global battery recycling capacity has reached high levels, and once announced projects come online, this capacity is expected to increase fivefold by 2030, surpassing 1,500 GWh. This is crucial for returning critical minerals to the economy and ensuring supply security in battery manufacturing. As EV battery recycling rates rise, recovery facilities have also been commissioned in Europe. Collaboration has increased on reusing recyclable plastics, metals, and composite materials. These developments support the spread of closed-loop manufacturing systems in automotive, significantly reducing waste while lowering dependence on raw materials.



Over the same period, sustainable supply chain practices were addressed holistically amid growing regulatory pressure. With new European Union rules, automakers came under higher standards for traceability, environmental-impact analysis, and human rights. Supplier evaluations were restructured around criteria such as carbon emissions, energy use, social compliance, and governance. However, global assessments show that human-rights risks remain a serious concern, particularly in battery supply chains. Even so, AI-enabled planning systems and digital solutions are strengthening risk management across the industry, helping to build a more resilient and sustainable supply infrastructure.




SUSTAINABILITY DEVELOPMENTS IN OUR OVERSEAS OPERATIONS

In 2024, major regulations and transformations took place globally in sustainability. In the United Kingdom, the government launched the Great British Energy (GBE) plan to accelerate the transition to low-carbon energy. GBE aims to support the country’s energy security and climate goals through investments, particularly in wind energy, hydrogen, and carbon capture technologies. The UK also set targets for the transition to zero emission vehicles and made the transformation in public transport a strategic priority. In this context, the rollout of electric buses and investments in battery technologies accelerated, while wide-ranging incentive programs were introduced to reduce urban-transport emissions. Circular economy practices also came to the fore, with projects focusing on polyester recycling offering innovative solutions in waste management and sustainable production. In Germany and across the European Union, 2024 was pivotal for sustainability reporting and supply chain responsibility. With the CSRD (Corporate Sustainability Reporting Directive) and the CSDDD (Corporate Sustainability Due Diligence Directive), companies’ new reporting requirements and obligations regarding human rights and environmental risks in their supply chains were formalized, making compliance mandatory for firms operating in Europe.

In North America, new climate-reporting regulations issued by the U.S. Securities and Exchange Commission (SEC) drew attention. These rules require companies to provide more detailed disclosures on greenhouse gas emissions, climate-related risks, and strategies. In sustainable finance and sustainability-oriented investing, the orientation of major funds has helped increase investments in low-carbon technologies. France emerged in 2024 as one of Europe’s leaders on the sustainability agenda, taking significant steps in hydrogen, expanding renewable-energy capacity, and carbon markets. France also moved quickly to transpose the CSRD and CSDDD into domestic law and established the infrastructure to ensure companies report their environmental and social impacts. These global developments have increased the need for strategic alignment in the markets where our overseas operations are active, particularly in areas such as tighter reporting, supply-chain transparency, and the transition to low-carbon technologies, and have become critical factors shaping the direction of our sustainability efforts. As TEMSA, we track sustainability initiatives across all our subsidiaries and pursue collaboration and knowledge sharing toward our common goals.

LOCAL AND GLOBAL REGULATIONS

Topic		Tracked Topic	Monitoring Mechanisms	TEMSA Assessment
	Climate and Regulations	Paris Agreement and Nationally Determined Contributions (NDC)	Global climate reports and frameworks COP29 outcomes, IPCC AR6 Synthesis Report, Emissions Gap Report 2024 (UNEP), State of the Global Climate 2024 (WMO), UNFCCC 2023 NDC Synthesis Report, Annual Statement on Climate Change 2023 (UNFCCC), Health and Climate Change Report 2024 (WHO)	<p>In our updated prioritization analysis based on the double materiality approach, we follow a roadmap for combating the climate crisis that aligns with global and local regulations. The Paris Agreement and the first NDC review meeting held in 2024 have made national commitments more transparent and trackable. The European Green Deal and the Fit for 55 package made the goal of a climate-neutral Europe by 2050 legally binding; they also mandated a 55% emissions reduction by 2030 and required all new cars and vans to be zero-emission from 2035. This transformation has been a key driver accelerating our electrification process, especially in the European market. With the revision of the EU ETS, road transport and buildings will be included under ETS 2 from 2027, while Türkiye's Climate Law and ETS preparations have brought the transition to a carbon-pricing system onto the agenda. This development stands out as one that will support our move to a low-carbon product range in the industrial and transport sectors. Meanwhile, CBAM (SKDM) is critical for our export markets, and we are intensifying our compliance efforts accordingly. In addition, under the Global Memorandum of Understanding for Zero-Emission Medium- and Heavy-Duty Vehicles, we aim for our entire product range to consist of zero-emission vehicles by 2040. In 2024, SBTi's updated guidance for road transport aligned, for the first time, automakers' largest emission source, Scope 3 Category 11 use-phase emissions, with the 1.5°C target. In this framework, leading markets such as Europe, China, the United States, Canada, the United Kingdom, South Korea, Japan, and Australia are committing to the phase-out of new internal combustion engine (ICE) vehicles by 2035, and globally by 2040. In line with these commitments, TEMSA continues its work worldwide under a Zero-Emission Vehicles vision. At the same time, within the scope of the EU Critical Raw Materials Act and the EU Battery Regulation, we are focusing on battery recycling, the digital battery passport, and the sustainable sourcing of critical raw materials. We are continuing our vehicle-development and innovation investments to ensure sectoral compliance with the Euro 7 Emissions Standard, CO₂ Emission Standards, and the Clean Vehicles Directive. In line with our Climate Action Plan and SBTi commitment, we aim to reduce our Scope 1-2 emissions by 68.6% by 2030 compared to the 2021 base year, reach net-zero by 2050, and have our product portfolio become fully zero-emission by 2040.</p>
		European Green Deal, Fit for 55, and Carbon Border Adjustment Mechanism (CBAM)		
		Türkiye Climate Law and Emissions Trading System (ETS)	EU policies and regulations EU Green Deal – Net-Zero Industry Act, EU Green Deal Industrial Plan, Green Deal Working Group Annual Activity Report, European Commission publications, Euro 7 Emissions Standard (2024)	
		Clean Vehicles Directive and Euro 7 Emissions Standard	Türkiye policies and regulations Türkiye Climate Law, 2024–2030 Climate Change Mitigation and Adaptation Strategy and Action Plan (Republic of Türkiye Presidency of Climate Change), National Circular Economy Strategy and Action Plan (UDESEP), Directorate for EU Affairs (MFA) announcements, Ministry of Trade announcements	
		Global Memorandum of Understanding on Zero-Emission Medium- and Heavy-Duty Vehicles (MoU)		
	Reporting Standards and Risk Management Approach	International Sustainability Standards Board (ISSB) and Türkiye Sustainability Reporting Standards (TSRS)	Global climate reports and frameworks Global climate reports and frameworks: IFRS / ISSB Report 2024, WEF Global Risks Report 2024, UNEP Climate Risks in Industrial Sectors Report	<p>Shaped by both global and emerging regulations, we align our operations with climate and sustainability goals and take steps to deliver stronger performance across environmental, social, and governance areas. By closely tracking current frameworks, ISSB's IFRS S1 and S2, ESRS, CSRD, the EU Taxonomy, TSRS, and CS3D, we bring our reporting processes into line with the principles of transparency and comparability. In this context, we analyze reporting requirements with reference to our financial results and align our questionnaires to the standards. We apply the same methodology for risk and opportunity management across the company, supported by financial analyses. Within this framework, the climate crisis and potential crisis scenarios are integrated into our governance as one of our priority risk areas. In the coming years, as our global operations also fall within scope, we are developing stronger communication and collaboration mechanisms for reporting on our overseas activities. In addition, as part of mandatory assurance, we continue to include all data in the report within audit processes and, where necessary, expand the scope.</p>
		European Sustainability Reporting Standards (ESRS) and Corporate Sustainability Reporting Directive (CSRD)	EU policies and regulations Official Journal of the European Union, European Commission Publications, EU Taxonomy for Sustainable Activities 2023 Report, EU Taxonomy Climate Delegated Act, EU Taxonomy Regulation	
		EU Taxonomy		
		Corporate Sustainability Due Diligence Directive (CSDDD)	Türkiye policies and regulations Announcements of the Ministry of Trade of the Republic of Türkiye, Resmi Gazete (Official Gazette), Public Oversight, Accounting and Auditing Standards Authority (KGK) Announcements	

Topic		Tracked Topic	Monitoring Mechanisms	TEMSA Assessment
	Nature-Based Practices and Environmental Management	Taskforce on Nature-related Financial Disclosures (TNFD)	Global climate reports and frameworks TNFD 2024 Report, World Water Congress, UN Water Conference 2024, Circular Economy Report (The Circularity Gap Report 2024), Global Biodiversity Strategy (WRI), World Resources Institute EU policies and regulations EU Deforestation Regulation (EUDR), EU Circular Economy Action Plan and policies, EU Critical Raw Materials Act, EU Battery Regulation, Digital Battery Passport Financial instruments and guidance IFC Biodiversity Finance Reference Guide	<p>The automotive sector accounts for roughly 10% of global greenhouse-gas emissions due to its production volume and raw-material demand. Accordingly, regulations such as the EU's 2035 and 2040 zero-emission targets, ETS-2 coming into effect in 2027, CBAM, and the EU Battery Regulation and Critical Raw Materials Act that entered into force in 2024 are directly shaping the sector. As TEMSA, we systematically manage nature-related risks and opportunities and reduce our environmental impacts. In this context, in line with TNFD guidance and SBTN recommendations, we analyze our dependencies on biodiversity, land use, and water resources, and integrate the findings into our risk-management processes and our IMPACT program. With focus areas such as biodiversity protection and water and wastewater management among our priorities, we regularly track and improve our performance in these areas. At our Adana Campus, we completed Phase I of the Biodiversity Project for Carbon Footprint Reduction and Carbon Sink Creation, and we aim to complete Phase II within this framework. To prevent deforestation, we prioritize traceable and certified sourcing of high-risk raw materials in line with the EU's EUDR regulations. Through our IMPACT program, we help suppliers manage their impacts and share our practices by leveraging best available techniques. We also carry out assessments for our suppliers. In addition, relative to the 2022 base year, we commit to reducing our water consumption per bus equivalent by 42%.</p>
		Biodiversity Protection		
		Prevention of Deforestation		
		Water Management		
	Social Sustainability	Human Rights	Global Frameworks, Principles, and Programs UNGC, COP29 – Lima Work Programme on Gender (LWPG) and Gender Action Plan ILO Conventions ILO Green Jobs and Sustainable Development 2023 Report Gender and Equality Reports UN Women & UN DESA SDG Progress: Gender Equality 2024 Status Report WEF Global Gender Gap Report 2024 WEF Future of Jobs Report 2023	<p>Building on the UNGC and ILO conventions, we prioritize human rights, fair working conditions, and the expansion of green jobs. As a UNGC signatory, we commit to conducting our activities in alignment with the universally recognized Ten Principles. In line with global developments, we support the development of new competencies and next-generation working models. We follow the Lima Work Programme on Gender and the Gender Action Plan, which were extended under COP29, and we commit to integrating gender equality into all our processes. At TEMSA, we embrace the principle of equal pay for equal work and implement fair and transparent pay policies for positions of the same qualifications and responsibilities, regardless of gender. We actively participate in Diversity and Inclusion workshops organized under the UNGC, developing strategies to reduce unconscious bias, ensure equal opportunity, and strengthen an inclusive corporate culture.</p>
		Diversity, Equality and Inclusivity		
	Sectoral Development	Digitalization and Connected Vehicle Technologies	Global Reports and Frameworks WEF Automotive Report 2023, SMMT Automotive Sustainability Report 2023, Resilient and Sustainable Automotive Value Chain (RAVC) Initiative, IEA Electrification Report 2023, IEA Global EV Outlook 2024, IRENA World Energy Transitions Outlook 2023, ACEEE 2023 Transportation Electrification Scorecard, UN Global Resources Outlook 2024 EU policies and regulations Automotive Regulatory Guide 2023, European Hydrogen Bank, German Supply Chain Act, Battery Directive, End-of-Life Vehicles Directive, Clean Vehicles Directive Türkiye policies and regulations Republic of Türkiye Ministry of Industry and Technology Mobility Vehicles and Technologies Roadmap	<p>By closely tracking transformations in the global automotive sector, we are taking leading steps in electrification, digitalization, the circular economy, and alternative fuel and battery technologies. Designed specifically for the North American market, our TS45E model enables low-carbon intercity mobility with a 400 km range on just four hours of charging, while our electric urban vehicles developed for Europe stand out with sustainable solutions in public transport. The charging infrastructure we have established in Sweden and our hydrogen bus projects carried out in collaboration with Caetano Bus reflect our forward-looking alternative-energy investments for long-range and heavy-duty segments. Electric vehicles and battery technologies are at the core of our strategy. Through our battery-pack assembly facility in Adana and the battery-passport applications we have developed, we are designing traceability and recycling processes compliant with the EU Battery Regulation and developing solutions for second-life batteries. Within our circular-economy approach, we manage End-of-Life Vehicle processes in accordance with legislation and are increasing reuse and recovery practices. In this direction, we are advancing in line with our goals of zero waste by 2045 and 50% circularity by 2050. On the digitalization front, we position our vehicles not only as a means of transport but also as a technology platform. Our connected-vehicle technologies and telematics solutions enhance efficiency in fleet management, while the R&D we conduct for autonomous-driving technologies strengthens our focus on sustainable innovation.</p>
		Circular Economy		
		Electrification, Renewable Energy, and Battery Technologies		
		Alternative Fuel Technologies		

CONTRIBUTION TO NATIONAL AND INTERNATIONAL REPORTING

We attach importance to reflecting our sustainability performance on national and international platforms to help advance a net-zero future and a world largely decarbonized to zero carbon emissions.

In the last reporting period, to present our climate-related impacts more comprehensively and transparently, we submitted our second CDP disclosure. In the 2024 assessment, we received a B score on the Climate Change questionnaire. Following the appeals process, our submission was accepted and our scores in two sub-categories were raised to A and A-; however, per CDP’s decision, our overall score remained unchanged.

In the same period, we successfully completed our audit and certification processes for the ISO 14064 and ISO 28001 standards. In addition, by passing the Sedex SMETA social-compliance audit we documented, through an independent assessment, our ethical culture and our commitment to employee rights.

This year’s EcoVadis assessment shows that our company’s social and environmental performance continues to progress sustainably in line with international standards.

In the EcoVadis 2024 assessment, it was shown that our company’s social and environmental performance continues to improve in line with international standards. Compared to the previous period, we achieved significant progress in 2024:

- **Overall Score:** 63 73
- **Environment Score:** 70 75
- **Ethics Score:** 60 69
- **Sustainable Procurement:** 40 76
- **Labour & Human Rights:** 70 (unchanged)



Within the scope of the Business Plastic Initiative, we contribute to more efficient resource use by setting targets to reduce plastic consumption and support the transition to a circular economy.

By embracing the principles of the United Nations Global Compact (UNGC), we underscore our company’s commitment to human rights, ethical values, environmental protection, and transparency, and we ground our ways of working in these universal values. Guided by the UNGC, we actively participate in workshops and meetings, continuing to create lasting value for society, the environment, and our stakeholders.

The progress we make on the national and international platforms we follow and support plays a critical role in our sustainability journey. As TEMSA, we remain determined to sustain our presence on these platforms and to contribute to the future with sector leadership.

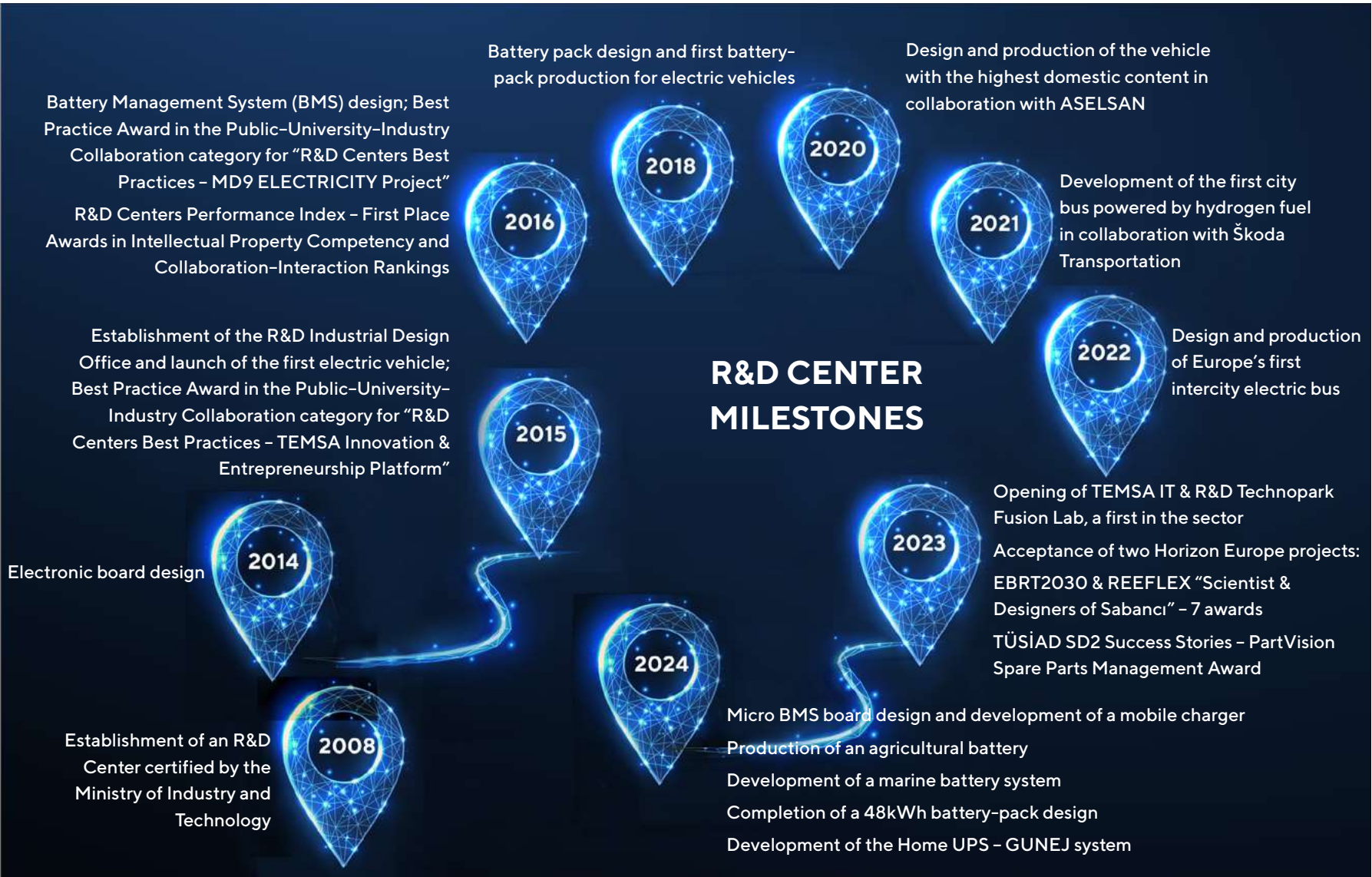


DIGITALIZATION, R&D and INNOVATION-ORIENTED IMPACTS



FACILITATORS OF SUSTAINABILITY AT TEMSA

With the aim of transforming the future of mobility, we continuously improve our business processes through innovation, digitalization, and advanced technologies. Thanks to our R&D efforts, we are making strong progress in areas such as electric and zero-emission vehicles, battery technologies, and mobility solutions. Our investments in digital technologies enable us to deliver environmentally conscious, energy-efficient solutions at every stage, from production to the driving experience. In this way, we are meeting tomorrow’s transportation needs today and offering innovative mobility solutions that support sustainable living for cities and communities.



R&D INNOVATION

As one of the first companies in Türkiye to receive R&D Center certification, we aim to sustain our leadership in this field.

In 2024, we demonstrated our R&D capability with 3 patent applications, 3 registered utility models, and 5 international publications.

In 2024, we directed the majority of our R&D and innovation investments toward improving customer experience and sustainability-oriented projects. We supported these projects through a broad collaboration network spanning universities, research centers, industrial partners, and other stakeholders. In addition, we continue to develop innovative solutions using advanced technologies to enhance product and service quality. By collaborating on international projects and consortia, TEMSA builds global capacity and responds to future mobility needs and technological developments with a strategic approach.

By adopting an open-innovation approach, we continuously improve and diversify our processes. We organize various programs and events to ensure active employee participation and incorporate customer feedback into our product and service development processes.

While leveraging the external innovation ecosystem through strategic partnerships, we encourage both our employees and external stakeholders to generate innovative ideas with innovation competitions and recognition programs, and we celebrate their achievements.

In 2024, together with our 200 impact-driven colleagues at the R&D Center, we continued to deliver leading practices in the sector. We manage the R&D Center’s career development and training opportunities under onboarding programs, functional academies, the NextGen MBA Program, ZeroTech Academy, and a webinar series, expanding our engagement through TEMSA Academy. In addition, we embrace an impact-oriented perspective across TEMSA’s sphere of inspiration. To promote the spread of R&D and innovation culture at TEMSA, and to increase the number of patents and utility models, we developed our “Developers” incentive program to encourage employees, support specialization in their fields, and build new competencies.

During the reporting period, we allocated a budget of **90 million TRY** for R&D investments. Of this, **70 million TRY**, representing 78%, was used for sustainability-oriented R&D and innovation projects.

In 2024, to enhance the technical expertise of our R&D and design employees and develop their leadership and project-management competencies, we participated in various training and certification programs. In this context, we took part in a total of 33 domestic training programs with the participation of 376 R&D employees. Our programs covered topics that support technical and managerial development, such as Power BI, Design Thinking, Coaching-Style Leadership, Sustainability, and Occupational Accident Processes. Through sustainability-oriented R&D trainings like Sustain WEQ, we increased environmental and social awareness while simultaneously supporting individual and corporate development, boosting our technical capacity and enabling our employees to realize their potential.



Our Sustainability-Oriented R&D Strategies in the Short, Medium, and Long Term

Positioned as a mobility company that creates value across different segments, we are also taking innovative steps in energy solutions. By expanding our product portfolio, we are accelerating the transition to alternative-fuel vehicles. In the long term, we aim to reach net-zero greenhouse-gas emissions by 2050. We are also broadening our activities in areas such as AI-enabled driving solutions, power distribution systems, vehicle chargers, and charging stations. In line with our goal of leadership in electric vehicles, in addition to the electric buses we first launched for sale in 2020, we develop and produce the cells and battery packs used in these vehicles in our own facilities. Accordingly, we continue our R&D efforts without interruption to develop innovative battery technologies.



R&D AND INNOVATION-ORIENTED PROJECTS

TEMSA R&D

Thinking One Step Ahead



ELECTRIC VEHICLES



CUSTOMIZED COMMERCIAL APPLICATIONS AND RETAIL SOLUTIONS



ENERGY STORAGE SOLUTIONS



AUTONOMOUS VEHICLES

TEMSA R&D SUPPORTED PROJECTS



TÜBİTAK

Completed
33 Projects
Ongoing
4 Projects
In Evaluation
2 Projects



Horizon Europe

Completed
2 Projects
Ongoing
3 Projects
In Evaluation
6 Projects

Horizon Europe and TÜBİTAK Projects:

Project Name	Funding Program	University Partnership	Start Date	End Date
REEFLEX - Replicable, interoperable, cross-sector solutions and Energy services for demand side FLEXibility markets	Horizon Europe	-	1.01.2023	1.01.2027
EBRT2030 - European Bus Rapid Transit to 2030: electrified, automated, connected	Horizon Europe	-	1.01.2023	1.01.2027
Development of a Home UPS Unit with Photovoltaic Supported EV Type Energy Storage and Grid-Connected Waste Electric Bus Batteries	TÜBİTAK 1505	Çukurova University	1.07.2021	31.06.2024
Use of Mesoporous and Electrically Charged High-Performance Supercapacitors in Automotive Applications	TÜBİTAK 1702	SUNUM	19.01.2022	19.12.2026
Artificial Intelligence and Machine Learning Methods for Estimating Vehicle Data and Predictive Maintenance, and Intelligent Spare Parts Depot Management	TÜBİTAK 1711	TOBB	1.11.2022	1.09.2024
Hybrid and Electric Vehicle Research TEMSA PROJECT 3.2: Development of Composite Materials as an Alternative to Magnesium-Based Composite Materials Used in the Automotive Sector	TÜBİTAK 1004	ITU	1.01.2023	1.01.2027
Hybrid and Electric Vehicle Research TEMSA PROJECT 3.2: Electric Vehicle Battery Modelling and Electrical Vehicle Simulation	TÜBİTAK 1005	ITU	1.01.2023	1.01.2027
Development of High Energy Storage Systems for Meeting the Energy and Power Density Needs in Electric and Diesel Vehicles (CAPLION)	TÜBİTAK 1505	SABANCI-SUNUM	1.06.2023	31.05.2025
ECOHYDRO - Economic Manufacturing Process of Recyclable Composite Materials for Durable Hydrogen Storage	Horizon Europe	POLITECHNIKA WROCLAWSKA	1.01.2024	1.12.2026

R&D AND INNOVATION-ORIENTED PROJECTS

TÜBİTAK 1505

For over 10 years, TEMSA has been making major strides in electric-vehicle development. At the same time, by enabling a second life cycle for batteries after their warranty period, we aim both to reduce vehicle sales costs and to create a new product platform. In this context, as part of the project, when used batteries reach end of life, we plan to develop 10 kW, grid-connected, PV-supported home energy-storage units. In this university-industry collaboration, old batteries from electric buses are repurposed to develop a grid-connected energy-storage unit supported by photovoltaic panels. In this way, grid dependence will decrease and surplus energy can be fed back to the grid to generate financial returns. In addition, by developing a technology that is not currently domestically produced, we aim to increase technical know-how and market share.

Use of High-Performance Supercapacitors with Mesostructured Gel Electrolytes in Automotive Applications

This project aims to develop a hybrid energy-storage system by integrating high power-density supercapacitors with lithium-ion batteries.

Caplion

The ultimate goal is to strengthen the customer organization’s competitiveness in the EV market through the know-how gained on hybrid energy-storage systems. The first objective is to scale up supercapacitor cells using the electrolyte technology developed by SUNUM (patent application no. 2021/016436), which TEMSA has been approved to license under the TÜBİTAK 1702 call. The second objective is to develop the hybrid energy-storage system in which the supercapacitor cell will be used. Similarly, the project targets the development of a suitable battery-management system for the hybrid storage system. Another key aim is to adapt the developed hybrid energy-storage system to automotive applications.

EBRT2030

Supporting the transition to zero-emission sustainable transport across and around Europe, this project aims to reduce traffic congestion, improve public transport and sustainable mobility, and decrease greenhouse-gas and pollutant emissions.

REEFLEX

REEFLEX is a Horizon project involving 27 partners from various countries, including TEMSA, to develop practical solutions and services for energy consumption, along with access to tailored interactions and services. Within this project, TEMSA developed the TTCMS software, an advanced solution that enables smart configuration, monitoring, and management of multiple charging stations and EV charging. With Smart Charging Technology, customers can easily adjust load management using real-time data from charging stations and optimize EV charging. We also continue our investments and developments in solar energy.

TÜBİTAK 1004

This project represents the development of environmentally friendly and sustainable composite floorboards of the future



WE USE 100% ECO-FRIENDLY, RENEWABLE ENERGY!

In 2024, we submitted applications for 6 different projects focused on mobility solutions and renewable energy.

R&D CENTER’S NATIONAL AND INTERNATIONAL COLLABORATIONS

Collaborations with Universities

Our collaborations with universities mainly focus on TÜBİTAK-supported projects, technology transfer, and scientific consultancy. In Türkiye, standout programs and projects include TÜBİTAK TEYDEB, ARDEB, 1702 Patent-Based Technology Transfer, the 1512 BİGG Program, 1501, and 1711. We also partner with universities in countries such as Finland, Slovakia, and China on Horizon Europe and other international research projects.

Collaborations with Public and International Institutions

These collaborations include partnerships on international projects, vehicle and fire tests, and scientific consultancy services. We provide execution support in TÜBİTAK projects and partner with various institutions under the EU’s Horizon Europe program. Prominent partners include TÜBİTAK, İETT, OSY S.A. (Greece), ICCS (Greece), UITP (Belgium), FUNDACIÓN CIRCE (Spain), and INRO INT. DES TRANSPORTS PUBLICS (Belgium).

Universities involved:

Çukurova University
Galatasaray University
Osmaniye Korkut Ata University
Sabancı University
Ege University
Middle East Technical University (METU)
Hacettepe University
Kocaeli University
Anadolu University
Istanbul Technical University
Yıldız Technical University
Süleyman Demirel University
Istanbul University
TOBB University
Kastamonu University
Univerzita Pavla Jozefa Šafárika (Slovakia)
CATARC (China)
Helsinki University (Finland)

Consulting, Support Organizations, and Industry Collaborations

We collaborate with organizations that provide consulting and support services for project execution and management, as well as with industrial partners. In this context, institutions such as INTACT Innovation, Sistem Global Consulting, Durukan Teknoent, and various industrial companies offer fund management, project advisory, impact-focused collaboration, and TOSAP support services.

PPF Group Collaborations

Under our strategic collaboration, our electric E’City and Trolleybus T’City buses are actively operating in various cities across the Czech Republic. In Prague, our 14 E’City buses, achieving an availability rate of over 100%, have replaced diesel vehicles, reducing emissions and contributing to sustainable mobility goals. This operation has delivered a significant CO₂ emissions reduction. In addition, 20 Trolleybus vehicles are in service in different cities, and 1 H’City hydrogen bus is being used for passenger transport by the DPP operator in Prague. This partnership sets a global example in sustainable mobility and aims to minimize the environmental impacts of urban transportation.

Platforms We Actively Participate in

ARGEMİP (R&D and Design Centers Communication and Collaboration Platform)
Automotive Manufacturers Association (R&D Committee and Technical Committee)
TÜSİAD – Turkish Industry and Business Association
TÜSİAD Next-Generation Industry Working Group
TÜSİAD R&D Centers Sub-Working Group
TÜSİAD Industry Digital Transformation Platform (SD2)
UITP VEIC – International Association of Public Transport (Vehicle Equipment Industry Committee)
Adana OIZ AGTM – Adana Organized Industrial Zone R&D and Entrepreneurship Technology Center Advisory Board
ZEKİ (Zentrum für erlebbare Künstliche Intelligenz und Digitalisierung) – Germany-based AI and digital transformation platform
Automotive Technology Platform – OTEP – Digital Transformation Working Group

R&D CENTER’S NATIONAL AND INTERNATIONAL COLLABORATIONS

R&D Efforts and Awards Shaping the Future of Mobility

As TEMSA’s R&D Center, in 2024 we carried out numerous innovative projects in areas that will shape the future of mobility, sustainable mobility, electric-vehicle technologies, battery packs, digitalization, and cybersecurity. We took active roles in TÜBİTAK- and EU-funded projects and built strong collaborations with universities and industry stakeholders to make our projects more impactful and comprehensive. Under the TÜBİTAK 1004 Program, within the Environmentally Compatible Advanced Vehicle Technologies (İLATERA) platform led by İTÜ, we served as one of the lead organizations on lightweighting and energy-storage projects. In 2024, we filed 8 new invention and 2 design registration applications to protect our innovations. In addition, 7 of our R&D colleagues received awards at Sabancı Group’s “Scientists & Designers of Sabancı” event.

We are shaping an engineering vision that transcends the boundaries of mobility through global knowledge sharing, strong partnerships, and innovative R&D projects.

As TEMSA, we won the **Value-Added Achievement award** and the **Lenovo Jury Special Award** under TÜSİAD’s Industry Digital Transformation Program for our project supporting digitalization and innovation in spare-parts processes.



In 2024, with 48 R&D employees, we participated in symposiums, conferences, congresses, and fairs in Türkiye and abroad. By sharing knowledge in strategic areas such as sustainable transportation, battery technologies, electric vehicles, and digital manufacturing, we kept pace with sector developments and strengthened our collaborations. In addition to domestic events like Autodesk Fusion 360, EV Charge Show, and Teknofest, we took part in programs organized under TÜBİTAK and the EU’s Horizon Europe framework.

At international events such as Busworld 2024 and Formnext, we tracked global innovations, expanded our expertise in next-generation mobility solutions, and developed international partnerships.



TEMSA Çukurova Technopark

Through this collaboration, we aim to develop advanced technological solutions for electric vehicles and energy storage systems. The project titled Second-Generation Lithium-Ion Battery Pack Design adopts a safety- and efficiency-focused approach in battery technologies. Designed within the principles of functional safety, the second-generation battery pack has been developed for electric vehicles and energy storage systems. Standing out as a domestic and innovative step in battery design for EVs and energy storage in Türkiye, this work demonstrates TEMSA’s competence in battery technologies while also strengthening the infrastructure for next-generation battery solutions.



DIGITALIZATION AND TECHNOLOGY

NEW VEHICLE TECHNOLOGIES

The autonomous vehicles we are focusing on aim to increase traffic efficiency and minimize environmental impacts. Thanks to these technologies, we continually develop hardware to reduce emissions and prevent traffic accidents. In addition, through our project under TÜBİTAK’s 1711 Artificial Intelligence Ecosystem Call, we have accelerated our work on vehicle-data analytics and forecasting.

TS Group Vehicles EPA24

With the “EPA24-Compliant Passenger Bus” project under TS Group Vehicles EPA 24, we carry out the production and integration of TS-model vehicles serving the United States market at a level compliant with EPA emission standards.



Predictive Maintenance Forecasting and Smart Spare-Parts Warehouse Management Using AI and Machine Learning on Vehicle Data

Our project offers a groundbreaking approach to future transport systems. Titled “Predictive Maintenance Forecasting and Smart Spare-Parts Warehouse Management Using AI and Machine Learning on Vehicle Data,” it aims to track bus travel data in real time, monitor bus locations, observe driver behavior, and optimize vehicle performance.

Within the scope of the project, we aim to enhance the safety of buses and passengers; ensure buses operate more efficiently and economically; monitor and improve the performance of bus operators and drivers; improve the travel experience and increase customer satisfaction.

At the same time, by creating a database to collect and analyze travel data, we contribute to making buses more sustainable.

Next-Generation MD9

This project for a low-carbon and innovative bus model is being conducted to offer safer, more environmentally friendly, and more efficient urban public-transport solutions. Within the scope of the project, we aim to improve the design, functionality, and technical features of current MD9 vehicles to meet market needs. Priority efforts include raising safety standards, increasing passenger capacity, improving energy efficiency, and integrating sustainable technologies.



We are leading the mobility solutions of the future, creating a sustainable, connected, and efficient transportation ecosystem through alternative fuels and digitalization.



DIGITALIZATION AND TECHNOLOGY

ELECTRIC VEHICLES AND BATTERY TECHNOLOGIES

At TEMSA, we play a major role in the space where the future of transportation is being shaped. We are among the pioneering companies in our sector that recognized future mobility needs early and began working within the framework of digitalization and sustainability. For many years, we have designed our business processes and products accordingly. We are moving decisively to transform the future of transport with electric vehicles and battery technologies and to create a clean and sustainable world. We also take our developed electric vehicles to fairs and present our innovation process to the world, establishing our presence in international markets.

With innovations in battery technology, we are redefining the boundaries of mobility; shaping the future of transportation with fast-charging capability, energy efficiency, and long-lasting systems.

LD SB E / Europe’s First Intercity Electric Bus

With this project, our goal, primarily for the European market, is to produce, with domestic capabilities, Europe’s first intercity electric bus targeting zero carbon emissions. Another aim is to ensure that a TEMSA-produced vehicle, with a high local-content ratio, zero carbon emissions, and part commonization, is manufactured as the first intercity electric bus in its segment for the target market with customer-focused options (12 m–13 m, 8–10 battery packs, and other options). Starting with the French market, the project seeks to lead the segment’s electrification and the sustainable transport sector across Europe.



Prestij 2.0

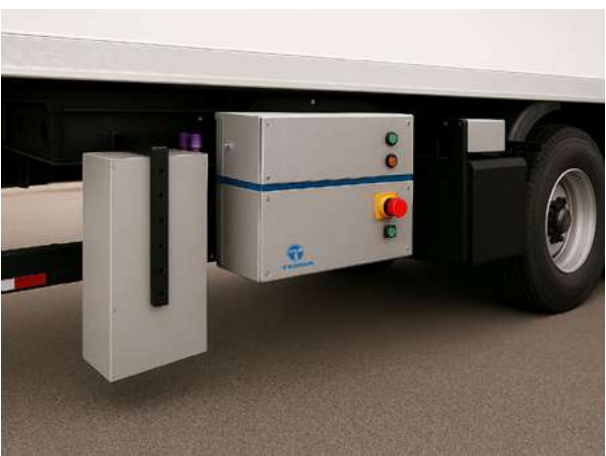
This project will strengthen the vehicle’s electrical infrastructure, convert pneumatic systems to electric systems, implement aerodynamic improvements, and carry out facelift work.



18m EV
The main objective is to thoroughly assess the environmental and economic impacts of 18-meter electric buses and to position the 18 m electric vehicle produced at TEMSA in the global market

Refrigerated Trailer Electrification (Refrigerated Truck)

With our Refrigerated Trailer Electrification project, we are paving the way for sustainable logistics transportation. To electrify trailers used to transport cold-chain products, we produced Türkiye’s first electric refrigerated truck body. The project electrifies refrigerated trailers with TEMSA batteries. Trailers previously cooled by diesel are now cooled more efficiently and in an environmentally friendly way thanks to a TEMSA battery pack, a hybrid inverter, and solar panels that control and drive the compressor. The project’s primary goal is to reduce fossil-fuel consumption for cooling energy by 100%.



DIGITALIZATION AND TECHNOLOGY

ELECTRIC VEHICLES AND BATTERY TECHNOLOGIES

Development of New-Generation TEMSA Battery Packs with Reduced Cost and Increased Energy Density

This project is a step toward our goal of developing dedicated battery systems for electric vehicles. Our main aim is to make EV energy storage more efficient and economical, thereby enhancing TEMSA’s electric-vehicle portfolio.



TEMSA Battery Pack

A water- and air-cooled battery pack operating between –20 °C and 60 °C, available in 35, 48, 70, or 102 kWh capacities; the 70 kWh variant uses NMC cells and communicates via the CANBus 2.0b 29-bit protocol. For second-generation batteries, new products using LFP, LFMP, and Na-ion cells are under development. The battery-management system software and boards used in these batteries are researched and produced by TEMSA Tech. The software captures all diagnostic data from the batteries; this data is evaluated on big-data servers to collect parameters needed for next-generation battery development. The battery packs are also offered for sale to other OEMs (Original Equipment Manufacturers).

Agricultural Battery

With the Agricultural Battery project, we aim to be part of a transformation that steers future agricultural technologies. The liquid-cooled battery pack at the project’s core offers a significant energy solution for the agricultural sector. Designed to meet tractors’ power needs and vibration profiles, this specialized pack reduces diesel consumption and contributes to the sustainability of agriculture. In this context, the first order of 10 battery packs was delivered for Türk Traktör’s Electric Tractor project.

Ultra-Fast Charging Lithium Battery-Powered Electric City Bus (ASELSAN)

Our Ultra-Fast Charging Electric Bus project is one of our steps contributing to a green and sustainable future using Türkiye’s domestic resources and technologies. The main goal is to produce an environmentally friendly bus with a high local-content ratio using domestic resources. Our partner ASELSAN’s technological expertise contributes to the realization of Türkiye’s first lithium-battery electric bus.

Our aim to develop sustainable transport options also brings significant benefits to Türkiye’s economy through the use of domestic resources. We further aim for lithium-battery electric buses to offer an environmentally conscious, economical, and safe alternative.

İkinci Bahar

With this project, we aim to design and integrate 24–48 V battery packs as a second life for packs whose usable capacity has decreased by 20–30%. This approach minimizes recycling costs and environmental risks. In this context, 2 order pickers and 2 forklifts have been converted and brought into the process.

Mobile Charger

Using the TEMSA battery pack, we designed an inverter charging module and carried out the system design for high-voltage integration of the battery in a mobility caravan concept to create a mobile charging device. It is intended as a mobile solution to charge vehicles stranded on the road, as well as during disasters such as earthquakes or floods and in other emergencies. TEMSA aims to support charging of electric vehicles at airports with solutions developed in the field of storable mobile energy systems. In this context, a powerbank order has been received for apron use. Once implemented, TEMSA battery packs will serve to meet EV energy needs at airports, supporting operational efficiency and environmental sustainability.

Thermal and Electrical Management of Electric Vehicle Battery Modules

This project aims to develop battery modules with thermal and electrical management systems for use in 12-meter electric buses.

DIGITALIZATION AND TECHNOLOGY

ELECTRIC VEHICLES AND BATTERY TECHNOLOGIES

We unite sustainable energy solutions with a global vision, accelerating the energy transition by integrating technology, efficiency, and environmental responsibility.

SMACH

In this project, charging-station management is handled by software using the standard OCPP 1.6 protocol. A browser-based user interface and a supporting server have been built for the project. Communication is provided by transferring data from the charging station to the server via a modem. So far, installations for 6 stations at our distributor in Sweden have been completed and are under testing. As a result, after a power outage, the vehicle resumes charging, and all charging data, such as the hours electricity was drawn and the cost, is transmitted to the server.

MARİN

Through our Marin project, leveraging our know-how in electric vehicles and our domestically produced battery packs, we electrified diesel sea taxis.

With 5 sea taxis converted to date, we save 8,000 tons of fuel per year. In this way, we contribute to the International Maritime Organization’s targets to reduce greenhouse-gas emissions in shipping by 30% by 2030 and by 70–80% by 2040.

Electrification of MARIN Vessels

TEMSA took a major step in maritime electrification by obtaining Türk Loydu certification for the use of our battery packs in class-approved ship projects. With this certificate, TEMSA became the first battery-pack manufacturer in Türkiye to hold this approval. In addition, at the Bosphorus Boat Show, we launched an electric boat equipped with TEMSA battery packs in collaboration with Yuka Yacht. A TEMSA battery-pack order was also received for Türkiye’s first Electric Mobile Bank Vessel Project.



GUN-EJ

Within this project, we aimed to meet, sustainably, the energy needs of devices used in charging and discharging electric-vehicle batteries. Given our geographic location, a solar-energy system was chosen as the most efficient solution. Using roof space efficiently, a 15 kW system consisting of 28 panels was installed; it fully supplies, via solar energy, the electricity consumption of the air conditioners that cool the chargers in the battery laboratory.

EQUAD

Designed to reduce urban traffic congestion, the 100% electric, pedal-assist cargo vehicle E-Quad serves to reduce carbon emissions with its 200 kg and 2,000 L cargo capacities and swappable LFP battery.



Off Grid/ On Grid Mobile Fast Charge Stations

Our Yakıtım Güneş Project, developed in collaboration with our group company ENERJİSA, offers net-zero-emission charging service via a solar-powered mobile charging station. The system has an adjustable 100 kW/h DC charging capacity and can charge up to 4 vehicles simultaneously.

e-bus on e-road

A joint project by TEMSA and ENERJİSA Üretim, covering the integration of a road that wirelessly supplies renewable-energy charging and the bus to be tested on that road. Using renewable electricity, shuttle vehicles at Enerjisa Üretim’s Bandırma Power Plant will be wirelessly charged and operated in a continuous loop. With this energy-transfer method, implemented for the first time worldwide using renewable energy, we aim to achieve longer range on a single charge and higher efficiency in future urban and intercity transportation and logistics.



DIGITALIZATION AND TECHNOLOGY

Value-Oriented Information Technologies and Our Digitalization Structure

As the Information Technologies (IT) Directorate, we carry out our work with strong integration across the Value Creation Office, Data Excellence and AI Solutions, Business Solutions, Application Development, Infrastructure and Operations, and Information Security departments. With the Value Creation Office added to our organization in 2023, we launched a value-driven, visionary transformation; in 2024, we continued to manage this with a comprehensive value-chain perspective that spread further across the organization.

After making our help desk and request-management system operational in 2023 to make governance processes more effective, in 2024 we expanded its use so processes could progress more quickly, transparently, and measurably. We also continued the T-shaped talent model implemented within the sub-unit that manages our AI processes, further developing our organizational structure in line with international standards.

To strengthen intra-department coordination and a shared vision, we hold alignment meetings and engagement programs to regularly track our current state and our target position, ensuring that the entire team acts in line with strategic goals and that synergies form across processes.

In addition, we prioritize creating shared value through projects carried out with the R&D department and various stakeholders. As a result of these efforts reflecting the strength of our R&D activities, one of our projects received an award under TÜSİAD SD2 and continues successfully.

Through the Digital Resilience initiative, we aim to provide easily managed, sustainable, SLA-based, and measurable IT services. Within Digital Resilience, we support business continuity while providing fast and comfortable internet access. In the area of Monitoring Excellence, we offer SLA-based service management. By establishing an integrated monitoring system with database management and dashboard integrations, and by commissioning an internal network monitoring application, we aim to manage processes more transparently and effectively.



Value Management

Within the scope of ongoing work, incentive processes were launched for 15 projects, with applications submitted to benefit from R&D and Turquality incentives. Significant efficiency gains were achieved with the Maestro and Vecto projects, adding value to operational processes.

Supplier performance was restructured with a “SMART” approach to enable effective and measurable management. Quality-assurance structures were established in software-development activities to ensure more effective and efficient processes.

To support the development of the IT team, we launched “Hadi Bi’ Kahve” gatherings, title-based training programs, and the “We Learn From Each Other” system. Projects are tracked regularly via the T-Fact system, where productivity and impact analyses are conducted using the Value/Cost & Complexity (VCC) approach.

In addition, with the Trails of Tech events, employees’ digital expertise levels (DEX) were enhanced, further strengthening digital capabilities across the organization.

Digital Tower Phase I

Through the IT Digital Tower platform, all critical indicators, such as IT SLA results, audit data, KPI outputs, and system security, will be monitored centrally. This structure is intended to enable management of IT governance processes from a single hub and to ensure that gains are reported on a regular basis.

Digital Maturity Index

DMI is a comprehensive strategic framework that underpins our digitalization processes and targets organizational excellence. This initiative aims to increase our capacity to create sustainable value. In line with our strategic objectives, DMI improves our digital infrastructure while also contributing to the transformation of our organizational culture. Focusing on areas such as data-driven decision-making, the integration of digital management processes, and the enhancement of employees’ digital competencies, this approach raises TEMSA’s digital maturity and supports alignment with international standards. This transformation increases operational efficiency while prioritizing customer satisfaction, speed, and agility, giving our company a competitive advantage.

DIGITALIZATION AND TECHNOLOGY

T-FACT Platform and Agile Project Management

With T-FACT, users can track end-to-end processes through a single portal, strengthen KPI alignment, and manage projects using various methodologies, especially agile. We continue to modernize IT help desk processes to keep them current, dynamic, and fast. With advanced dashboards, we track programs and projects in an agile manner, measure company-wide requests with data-driven metrics, and embed them in an effective governance process. Through a service-oriented IT structure, we provide transparent SLA management, Master Plan tracking, and KPI tracking via T-FACT, regularly monitoring and reporting our processes. We also manage IT projects on T-FACT (Jira) using agile methodologies such as Scrum and Kanban, selecting what best fits each project’s needs.

Service Catalog

Our Business Relationship Management (BRM) structure, covering our project-management and IT Value Management model, ensures that all IT services are managed effectively by the BRM team’s qualified members in line with strategic demands. This approach increases IT’s strategic value across the organization while enabling us to provide proactive and effective solutions to business-unit needs.

Technical Evaluation Committee (TEC)

Before procurement decisions for each project, we run a comprehensive technical-evaluation process. The TEC consists of the business owner, IT management, and the finance/procurement department. The process starts with detailed analysis of requests and clarification of needs; potential suppliers are identified, a long list is narrowed to a short list, and the most suitable candidates are selected. During the proposal phase, the TEC conducts technical and financial evaluations, manages the decision-making, and moves into procurement and implementation. A second-stage Value Analysis assesses projects for alignment with strategic goals and organizational impact.



Value Analysis (VCC)

Every request to IT undergoes a comprehensive strategic and financial analysis. Projects are evaluated on revenue growth, cost reduction, customer and employee experience, regulatory compliance, sustainability, and opportunity creation. On the financial side, we analyze person-day needs, outsourcing, and integration requirements. This methodology ensures that the most appropriate and valuable projects are prioritized and that processes are managed transparently and measurably.

Digital Transformation in the Customer Lifecycle

To strengthen the customer experience and digitalize sales processes, we unified multiple channels on a single platform. With the Digital Assistant, Customer Sales Hub, and Digital Customer projects, we manage customer data in an integrated way and track sales performance transparently. By digitalizing roadside-assistance processes and enhancing the **Temsa.com** and TNA Mobile applications, we deliver an end-to-end, seamless, and innovative experience throughout the customer lifecycle.



End-to-End Product Lifecycle

With systems that manage the product lifecycle, we make our vehicles smarter and our processes more efficient. Within this project, the test environment setup, project drafts, assembly processes, and SAP test analyses have been completed. Ongoing work includes transferring bus data into the system and running integration tests.

VOR Monitoring and Tracking System

To ensure rapid delivery of VOR (Vehicle Off Road) vehicles, we digitalized monitoring and tracking processes. With this system, we conduct real-time fault tracking to manage potential disruptions proactively, route tasks to the right people with automatic responsibility assignment, and monitor the status of vehicles, units, and processes through dashboard reports.

DIGITALIZATION AND TECHNOLOGY

Efficient and Traceable Operations

By making operational processes digitally traceable, we continue to digitalize the supply chain end-to-end. With the BusJourney Dashboard, we gain real-time access to operations and sales data to increase effectiveness, and with digital supply-chain projects we manage every step more actively, from production to quality control.

In addition, a new spare-parts stock-planning system and a user-friendly supplier-management infrastructure improve efficiency and traceability.

Resource Efficiency through Digital Processes

To reduce employee time loss and use company resources more efficiently, we are implementing digital projects. In this context, we accelerated VAT refund processes through digital-productivity initiatives.

With Effective Budget Management, we ensure accurate and real-time tracking of budget reports, keeping potential overrun risks under control.

Employee Digital Self-Service Experience and NEXA

We continuously improve our processes to offer employees the fastest and most efficient digital experience. Within digital-productivity efforts, the Sales Bonus System automated bonus calculations, enabling accurate and effective performance evaluation of sales teams.

In Digital Corporate Processes, the NEXA – Temsa Low-Code Platform enables rapid, high-quality, and low-cost application development with minimal coding. In addition, through TEMSA Academy, we run training programs that support continuous development; digitally delivered content accelerates access to knowledge, further strengthening the employee experience.

Trails of Tech

We organize various events that engage everyone in the company and encourage knowledge sharing, focusing on strengthening corporate culture and accelerating digital transformation.

RPA (Robotic Process Automation)

Within IT, we are comprehensively advancing RPA initiatives to drive efficiency and speed in operational processes. By automating manual and repetitive tasks, our RPA applications minimize errors and allow employees to focus on more strategic work.

Maestro Data Warehouse Project

We bring TEMSA data together on the Maestro platform to make it more meaningful and value-oriented. With newly created dashboards, service, warranty costs, orders, production, stock, and sales data are tracked digitally. Real-time monitoring of vehicle and spare-parts inventories by dealer and service increases operational efficiency.

TEMSA Agent Family – AgenX

With the AgenX digital-assistant family, we continue to deliver speed and efficiency in business processes. Logi-AgenX enables easy management of password operations, corporate directory access, and approval workflows. BusJourney AgenX allows digital tracking of customer orders with real-time data flow in sales and delivery processes. Copilot AgenX guides employees with AI support in meeting planning, project management, and team-coordination processes.

TEMSA Academy (LMS)

With a platform that will deliver learning experiences across the entire value chain, this project aims to plan next-generation training and development activities and to increase employee and company performance through a cycle of continuous improvement.

TEMSA Connect Digital Assistant

We aim to provide a single, unified experience across multiple channels for after-sales customer and service processes through a Digital Assistance system.

3D Experience (PLM)

In this project, we focus on ensuring continuity among engineering, production, and SAP within the scope of digital transformation.



DIGITALIZATION AND TECHNOLOGY

DIGITAL TRANSFORMATION GOALS THAT WILL MAKE A DIFFERENCE

With our digital-transformation goals, we align both customer experience and operational processes with future needs. By simplifying the customer experience, we aim to increase sales potential and deliver faster, easier, and more personalized solutions enabled by digitalization.

To boost operational efficiency, we are developing end-to-end traceable and plannable systems. With advanced systems that manage our products’ lifecycle, we make our vehicles smarter while restructuring our processes around speed and efficiency. Enhancing our employees’ digital experience is among our top priorities. Our data-driven transformation increases our capacity to make fast decisions and reach definitive outcomes across all areas of the business. With AI-enabled technologies, we manage complex processes more effectively and base our strategic decisions on solid data, allowing us to analyze risks more accurately and capture opportunities more effectively.

While managing operations more effectively with next-generation technologies, we continuously strengthen our maturity in cybersecurity and information protection.

By increasing our resilience to cyber threats, we safeguard the company’s digital assets. With this integrated structure, we are building an innovative and reliable organization that stands out in our sector on our digital-transformation journey. In line with this vision, by implementing our digital-transformation goals, we support the company’s growth while creating sustainable value for all our stakeholders. In addition, in the next reporting period, through the work we will carry out, we aim to reduce the level of risks identified in our risk assessment for information-technology operations.

Information Security Management System

We manage our information security processes in line with the ISO 27001 Information Security Management System, supported by information-security and cybersecurity procedures we have developed. We also continue to meet the requirements of the ISO 22301 Business Continuity Management System. Through our published Information Security and Business Continuity Policy, we commit to establishing, maintaining, and continually improving our information security and business continuity management systems in accordance with the standards.

DATA PRIVACY AND CYBERSECURITY

As TEMSA, we protect data security within a legal framework by signing confidentiality agreements with our suppliers and business partners. In data-sharing processes, we use our in-house TEMSA Transfer application to prevent confidential information from being accessed by unauthorized persons or used inappropriately. Within the scope of ISO 27001, we conduct regular internal and external audits and implement necessary corrective and preventive actions for any findings. In addition, we ensure the systematic protection of data through defined procedures covering information security and cybersecurity.

TEMSA BlackGate

We developed the TEMSA BlackGate product to ensure that all vehicles within TEMSA, excluding the US and UK markets, comply with the R155 cybersecurity regulation. By leveraging our in-house resources and design capabilities, we brought a TEMSA-specific solution into scope for the regulation and succeeded in obtaining CSMS certification, becoming the first in Türkiye and among leading OEMs in Europe. With this product, also filed for patent, we have delivered a cybersecurity solution to the world of transportation vehicles and set a precedent as the only company in the automotive sector able to provide its own solution.

Internal Audits

In 2024, internal audits conducted at our Adana plant and Istanbul office identified and reported development areas related to information security across our business units. To promote an information security culture, Clean Desk Clean Screen inspections were carried out, aiming to improve employees’ habits for protecting confidential information.

Digital Immunity

Through this initiative, we continue efforts to make all our work environments secure. We are building a more resilient and sustainable structure against cyber threats.

7x24 SIEM & SOC Monitoring

Siber güvenlik olaylarının gerçekleşme süreçlerinde gelişmiş tespit ve analiz yetkinlikleri kazanılarak, potansiyel tehditlerin proaktif şekilde önlenmesi ve kurumsal bilgi varlıklarının güvenliğinin sağlanması amaçlanmaktadır.

Data Loss Prevention (DLP)

This involves effectively detecting and preventing the insecure sharing, transfer, or use of predefined sensitive data. In this way, while strengthening corporate data security, we also ensure regulatory compliance, reduce the risk of data leakage, and maintain the sustainability of security in operational processes.

ECONOMIC IMPACTS AND LOW-CARBON GROWTH



ECONOMIC PERFORMANCE AND SUSTAINABLE PRODUCTS

During the reporting period, we achieved the highest USD revenue in our company’s history.



With a strong export performance, we delivered a net export contribution five times larger than the previous year. Our export value per kilogram reached 13.6 times the Türkiye average, clearly demonstrating our high-technology manufacturing strength and the difference we create in productivity. We carried this strong momentum to 17.6 billion TRY in revenue in local currency and 500.2 million USD in revenue in dollars, reaching the highest turnover level in our company’s history. Our turnover increased approximately 20x in TRY and 320% in USD compared to 2020, reaching 17.6 billion TRY and 500.2 million USD. With a strong export performance, we delivered a net export contribution five times larger than the previous year. Our export value per kilogram reached 13.6 times the Türkiye average, clearly demonstrating our high-technology manufacturing strength and the difference we create in productivity. We carried this strong momentum to 17.6 billion TRY in revenue in local currency and 500.2 million USD in revenue in dollars, reaching the highest turnover level in our company’s history.

Our turnover increased approximately 20 times in TRY and **320%** in USD compared to 2020, reaching **17.6 billion TRY** and **500.2 million USD**.

Strengthening Presence in International Markets

We achieved year-over-year growth of 49% in the United States, 32% in France, and 54% in Western Europe, reaching all-time high sales figures.

We delivered our 6,000th vehicle in France. Since 2022, we have increased sales in Spain by nearly five times. In Romania, we raised our exports by 79% across 2023 and 2024, taking a leading role in the country’s green transition.

In this context, in 2024 we delivered a total of eight MD9 electriCITY electric buses to three municipalities, expanding the reach of our sustainable transportation solutions.

Corporate Growth with New Financing

In 2024, in cooperation with Akbank, TEB, ING Türkiye, MUFG Bank Türkiye, and QNB Finansbank, we secured a club loan of approximately 90 million euros. This financing enabled TEMSA to complete its restructuring process and focus on growth, innovation, technology, and sustainability investments. The step accelerated TEMSA’s expansion in global markets, strengthened its leadership in zero-emission vehicles, and supported a strong international representation of Turkish industry.

Our sustainable product definition, set in line with our sustainability strategy, falls under the impact-reduction category. In this scope, we offer 11 distinct products and services that directly reduce environmental resource use and carbon emissions. In 2024, 78% of our R&D and innovation investments were sustainability-focused.

At TEMSA, we channel a large share of our investments into electric vehicles and prioritize zero-emission production. For more than a decade, we have led electric-vehicle development and pursued work across a wide range of areas including next-generation battery technologies, fuel-saving solutions, power distribution and vehicle charging units, alternative fuels, the use of renewable energy, and electric-vehicle charging infrastructure.

Through our electric vehicles and battery technologies, we reduce the carbon footprint of our products across production, logistics, and use phases, supporting our SBTi-approved targets. End-of-life applications further minimize greenhouse-gas emissions in this category. We offer multiple electric-vehicle types in both urban and intercity segments that advance our strategy and lessen our environmental impact:



ECONOMIC PERFORMANCE AND SUSTAINABLE PRODUCTS

TEMSA's Electric Buses in Paris for the "Greenest" Olympics



Our LD SB E electric buses were used for spectator transfers within the city during the Paris 2024 Olympic Games. Paris 2024 set out to be the greenest Olympics in history, aiming to cut carbon emissions significantly compared to past events. In line with this, electric vehicles took center stage in public transport, and LD SB E buses produced at our Adana plant made a strategic contribution to urban mobility,



TEMSA'S ELECTRIC AND ALTERNATIVE-FUEL VEHICLES



TS45E: Designed specifically for the North American market with a 400 km range, the TS45E is suitable for intercity use. With design, engineering, and all battery packaging completed domestically in Adana, the vehicle can travel approximately 400 kilometers on just a 4-hour charge.



FUSO eCANTER: The FUSO eCanter delivers high performance with a compact e-Axle integrated into the motor. It offers 2 battery capacities, 3 different GVW options, and 5 wheelbase options. Water-cooled, long-life LFP batteries positioned under the chassis ease body-builder installations for different applications. A timed heating package optimizes battery temperature in cold weather to improve performance. Heated, bellows-type driver's seat and a heated leather steering wheel enhance comfort. With robust construction, the eCanter elevates safety for pedestrians and drivers through features such as Active Brake Assist 5 (ABA5), Acoustic Vehicle Alerting System (AVAS), driver airbag, rear-view camera, and other advanced systems.



AVENUE ELECTRON: A city bus with single-pedal driving, a customizable digital instrument cluster, an energy-saving HVAC system, and gear-selector programs that help extend range. Our Avenue Electron holds Türkiye's first bus Environmental Product Declaration (EPD).



AVENUE CNG: A comfortable and economical city bus model featuring sustainability-oriented, eco-friendly technology. Its Euro 6 CNG engine delivers high performance while reducing the carbon footprint and harmful substances. Three wide, stepless doors remove barriers faced by pregnant passengers, parents with children, seniors, and people with disabilities. Avenue CNG also offers high-roof ergonomic seats and a powerful heating/cooling system for a comfortable ride.



MD9 ELECTRICITY: A zero-emission electric vehicle with an approximate 390 km range, designed for both city use and short intercity routes with "Class I" and "Class II" options. With various equipment features and seating options, it provides a quiet, environmentally friendly, and sustainable transportation experience.



LDSB E: Offered in two lengths, 12 or 13 meters, with a 63-passenger capacity, the LDSB E delivers expected performance in all road conditions thanks to its electric motor rated between 280-350 kWh. With a 350 km range, it is suitable for short intercity routes and/or use as a school bus.



AVENUE EV: Our Avenue EV, the vehicle with the highest local content in Türkiye's automotive sector, is offered to customers across a wide geography, especially in Europe. Thanks to its fast-charge feature, it can be fully charged in just 15 minutes and travel up to approximately 80 km.

ECONOMIC PERFORMANCE AND SUSTAINABLE PRODUCTS

eCanter
Implemented in line with TEMSA’s sustainability vision, the eCanter Project aims to introduce a zero-emission electric vehicle to Türkiye’s light commercial vehicle segment. Market needs were analyzed and a climate-positive alternative was added to the product range. In collaboration with our global partner, technical specifications and the necessary legal framework were completed. Launched in 2024, the eCanter was showcased through demo programs and made ready for sale. In the same year, the first sale in its segment in Türkiye was successfully completed, adding a strategic innovation to TEMSA’s portfolio and advancing our sustainable mobility goals.



Award from FUSO to the TEMSA Canter Team
In November, the TEMSA Canter team received three separate operational-excellence awards from FUSO. At the “Quality Awards for DTA KD Plants” ceremony, TEMSA won first place among 17 KD plants in the People Excellence category, and ranked in the top three in the Process Excellence and Overall Best Performer categories.

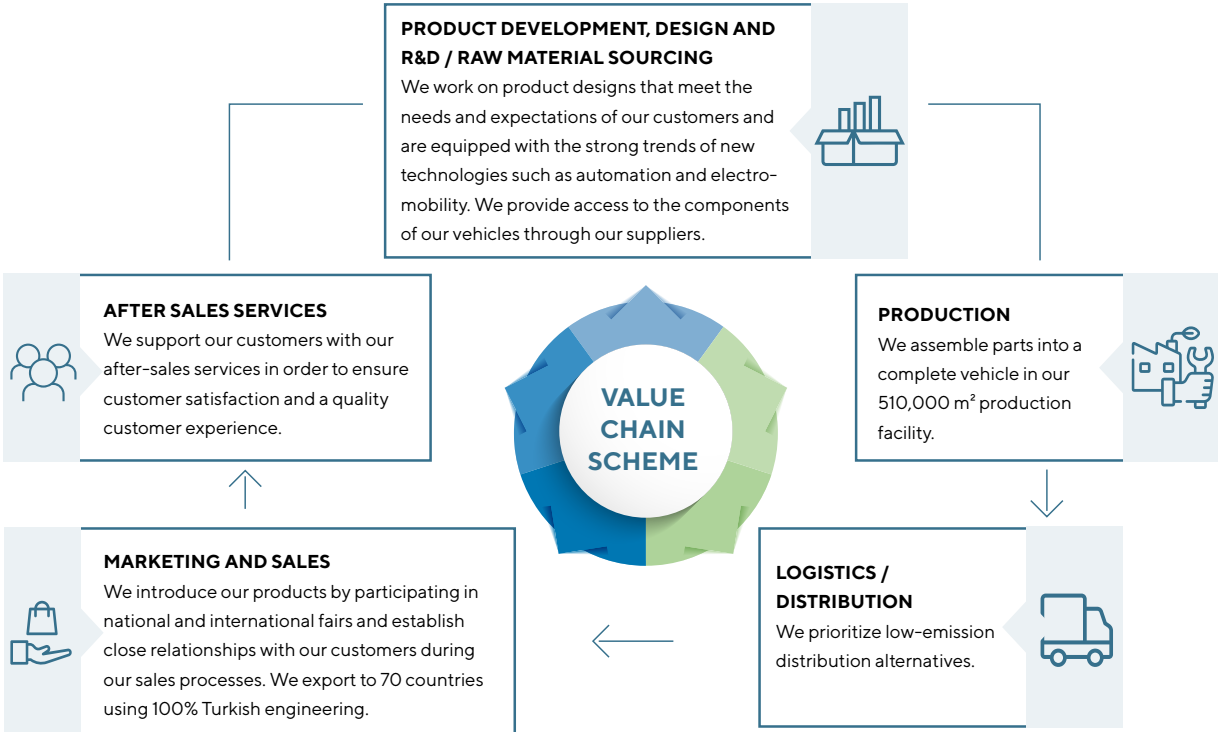


International Excellence Award
For more than 30 years, TEMSA has been FUSO Canter’s distributor in Türkiye. With its innovative, technology-driven approach to after-sales services, TEMSA won the Excellence in Customer Services for Uptime Management 2023 award. Developed by the TEMSA After-Sales team, the project earned one of the most prestigious honors in the FUSO ecosystem and stood out at a global-participation event.

VALUE CHAIN MANAGEMENT

We place great importance on managing our value chain responsibly, from suppliers’ raw material production to the delivery of our products to customers and the after-sales services provided during use. This approach offers a comprehensive, strategic perspective that covers our environmental and social impacts as well as our operational efficiency.

At every step of the value chain, we build strong, trust-based collaborations with our stakeholders and carry out initiatives that support mutual development and deliver innovative solutions. By creating shared value with all stakeholders, we implement projects that shape our industry and generate long-term impact, moving forward together for a sustainable future.



RESPONSIBLE PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Our suppliers are among the most critical elements in implementing our sustainability strategy across the value chain. As TEMSA, we aim to build a responsible supply network that also upholds ethical, social, and environmental responsibilities. Accordingly, we work with suppliers that operate in full alignment with the UNGC and international human rights standards. In our supplier selection and evaluation processes, we consider criteria such as business ethics and compliance, respect for human rights, and the provision of safe and fair working conditions. This approach enables us to establish a high-standard, sustainability-oriented structure throughout our entire supply chain. Through our firmly implemented Responsible Procurement Policy, we emphasize transparency and trust at every link of the chain and fulfill our global responsibilities.

This approach encourages our suppliers' progress in sustainability and supports a value chain aligned with ESG standards. We assess all these criteria for both new and existing suppliers, expecting them to respect human rights, prioritize occupational health and safety, fulfill environmental responsibilities, and act in line with equality principles, thereby strengthening our sustainability strategy. We monitor value-chain sustainability in line with the [Sabanci Group Responsible Investment Policy](#) and the [TEMSA Responsible Procurement Policy](#). The [TEMSA Responsible Procurement Policy](#) sets out the commitments that form the basis of our supplier relationships, as well as our targets in supplier selection and the framework for social and environmental audits.

Through the **Responsible Investment Policy**, we set principles from environmental, social, ethical, governance, and human rights perspectives; we aim to contribute to the SDGs and improve ESG performance across the entire value chain. The **Responsible Procurement Policy** is shaped in harmony with TEMSA's ethical principles, quality policy, and sustainability strategy. As TEMSA, we expect our suppliers to adopt and implement these principles as well.

In line with our policies and all national and international procedures we follow, we conduct supplier self-assessment questionnaires and audits at regular intervals. We evaluate and classify our suppliers by their sustainability performance and criteria. From suppliers we deem critical, we request ESG performance information and place them into a renewed assessment. In 2024, we conducted a total of 71 audits across environmental, social, and governance topics, 66 on-site audits and 5 self-assessments.³ We track audited suppliers through action plans. At the same time, 166 suppliers participated in our evaluations designed to monitor their work on sustainability. Following our sustainability maturity assessments, we sent the EcoVadis assessment to 5 critical suppliers and tracked their performance.

With our responsible procurement approach, we implement transparent, reliable, and sustainable business models across our entire value chain, contributing to global transformation together with our business partners.

With the TEMSA Compliance with Laws Undertaking, we require all dealers, suppliers, and customers with whom we conduct commercial activities to sign our undertaking that covers compliance with topics such as;

-  Human rights and child rights
-  Arms embargoes
-  Anti-money laundering and counter-terrorist financing
-  Environmental protection regulations
-  Regulations on the prevention of financial crimes
-  Labor measures and the prevention of forced labor
-  Export controls on dual-use and sensitive items
-  Data security measure

³Our audit scope also includes Corporate Social Responsibility (CSR) topics.

RESPONSIBLE PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

We also organize supplier trainings to increase awareness of sustainability topics.

German Supply Chain Act

Compliance with the Universal Human Rights rules under Germany’s Supply Chain Act, the prohibition of child labor, and environmental protection regulations are embedded in our TEMSA Compliance Policy and Ethics Procedure.

Sanctions Lists

To assess third-party risks, we use Sanction Trace and the KX tool, which integrate sanctions lists published by the relevant authorities of the US, UN, EU, and the United Kingdom. In this way, we identify natural and legal persons that have become sanction targets due to human-rights violations, child-rights violations, or environmental-regulation breaches, as well as firms located in embargoed countries and regions, and we do not conduct business with them.

We carry out projects to digitize our procurement and spare-parts processes end-to-end. Through Quality Performance Reports aimed at building a traceable supply chain, we identify our suppliers’ improvement areas, enhance production and procurement processes, and aim to prevent problems, financial losses, and additional time spent on rework.

Digital Supplier Management with SOMS

We launched the Seat Order Management (SOMS) platform to digitize the manual tracking in the seat-procurement process. With this system, suppliers can track orders and revisions digitally, while companies can optimize production planning based on real-time data.

A pilot implementation onboarded suppliers to the system and eliminated manual follow-ups. As a result, order management became faster, more transparent, and less error-prone. Early results show higher on-time delivery rates and improved labor productivity.sundu.

Digitizing Paint FRP Rework

In the paint line, rework on FRP parts due to supplier-related defects was causing additional labor and consumable costs. To make this process more efficient and traceable, we implemented a digital tracking structure with the INSPECT system. With the new system, all rework is recorded and reported digitally and can be invoiced to suppliers in a transparent manner.

We monitor supply chain sustainability and sustainable procurement performance:

Sustainable Procurement Performance ⁴	Results (2024)
Suppliers who have signed the Code of Ethics	97%
Suppliers, authorized dealers and service partners who have signed the TEMSA Compliance with Laws Undertaking	449 / 96% (suppliers), 100% (dealers and service partners)
Supplier contracts that include environmental, labor and human-rights requirements	100%
Suppliers audited for sustainability and suppliers completing self-assessments	In 2024, we conducted on-site audits of 66 suppliers against environmental, social, and governance criteria and administered 5 self-assessment questionnaires.
Percentage of suppliers targeted to undergo Corporate Social Responsibility (CSR) assessment	100%
Percentage of suppliers targeted to undergo on-site CSR assessment	100%
Percentage of assessed/audited suppliers for whom an action plan or capacity-building activity has been defined and monitored	100%
Participation in sustainable procurement training among procurement teams and other employees with purchasing authority	100%

⁴Suppliers targeted for CSR assessment, those assessed, and those for whom action or capacity-building activities are defined constitute our critical suppliers.

RESPONSIBLE PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

IMPACT

At TEMSA, we are implementing the Sustainable Supplier Development Program (IMPACT – Initiative for a Meaningful Partnership Achieving Carbon Targets) to strengthen our sustainability strategy and minimize environmental impacts, thereby fulfilling our social responsibility and building a sustainable supply chain network.

Our six-stage program’s first step was completed by setting sustainable supply chain targets for our critical suppliers. We identified 100 suppliers that account for 92% of our revenue and assessed their sustainability performance using a process aligned with international standards and referencing GRI. During the assessment, we obtained ESG data from 46 suppliers, scored them on an A–F scale, and delivered certificates summarizing the results.

From these 46, and in line with [Sabancı Holding’s Responsible Investment Policy](#), we designated 8 suppliers as “critical” based on our ability to influence them and their individual revenue shares of 0.7% or higher. In addition, we provided action plans to the remaining participating suppliers to support their improvement.

Under IMPACT, we set a clear target for all critical suppliers to reach level A by 2030 through action plans covering corporate operations, water, energy and waste, sustainability governance, and stakeholder relations. In 2024, guided by our motto “**Together on the Sustainability Journey,**” we expanded our efforts starting with critical suppliers, supported the process with on-site visits, maintained open and transparent communication, and fostered a shared culture of improvement in sustainability.

IMPACT

(Initiative for a Meaningful Partnership Achieving Carbon Targets)

Supplier Evaluation and Selection

- Evaluating and classifying suppliers based on their sustainability performance and criteria.
- Identifying suppliers that comply with sustainability goals and ethical standards.
- Requesting and evaluating sustainability-related information from potential suppliers.



Performance Monitoring and Reporting

- Regularly monitoring the sustainability performance of suppliers.
- Defining performance metrics and reporting on supplier progress.
- Transparently sharing progress and highlighting successes.
- Conducting audits to ensure compliance with ethical standards and human rights.



Communication and Collaboration:

- Encouraging continuous communication and collaboration with suppliers.
- Meetings and workshops on sustainability.
- Joint projects and events.



Training and Guidance Programs:

- Organizing sustainability training sessions for suppliers and the procurement team.
- Creating and sharing guidance documents aligned with sustainability strategy and goals.
- Sharing best practices and innovative solutions with suppliers.



Incentive and Reward Systems:

- Reward systems for suppliers achieving sustainability goals.
- Mechanisms that encourage performance improvement and innovation.
- Sharing success stories of leading suppliers as examples.



RESPONSIBLE PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

SUPPLIER PERFORMANCE MANAGEMENT SYSTEM – SUPPLIER SCORECARD

With this project, we aimed to measure, monitor, and continuously improve supplier performance using objective and standardized methods. To support this, we built a database for the supplier performance management system and digitalized the entire process. We developed a user-friendly, dynamic, and visually rich platform to track supplier performance.

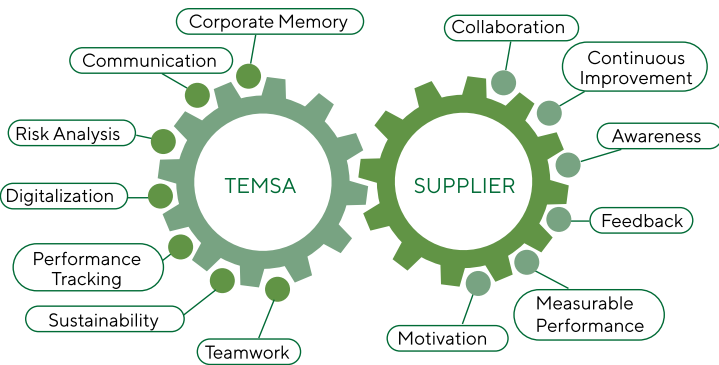
We implemented the project in four phases:

- 1
- Defining the criteria and weighting for the Supplier Scoring System
- 2
- Calculating performance scores
- 3
- Deploying the supplier scoring system
- 4
- Generating supplier scorecards

In 2024, we thoroughly evaluated 450 suppliers across 4 departments and 14 criteria. As a result, the overall supplier performance level was identified as grade B. Among critical suppliers, score distributions were 37.5% at B and C levels, and 25% at level D.

Procurement Innovation Days

Procurement Innovation Days is an interactive forum where current and potential suppliers present their products and technologies to explore future collaboration and innovation opportunities. Suppliers showcase their portfolios and sector trends to TEMSA teams while co-creating ideas in sustainability, digitalization, localization, and innovation. The event strengthens supplier relationships, enhances cross-functional engagement, and advances a strategic supply chain vision.



Development Dialogues

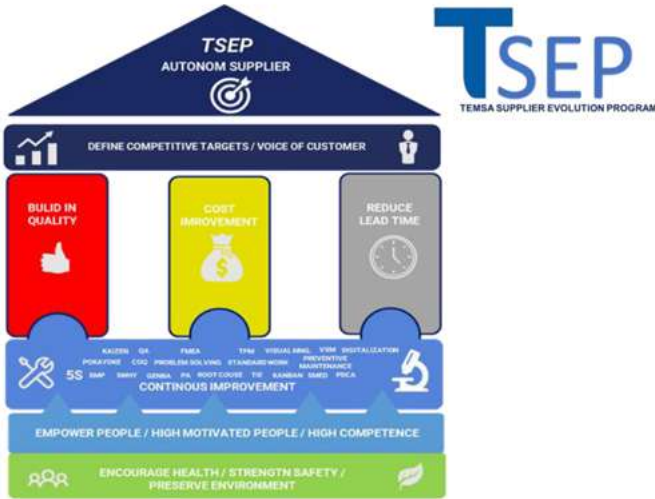
Development Dialogues is an interactive platform designed to strengthen knowledge sharing between TEMSA internal stakeholders and suppliers, remove process ambiguities, and embed a culture of collaboration. By correcting common misconceptions, introducing new processes, and clarifying gray areas, it brings internal and external stakeholders together. With current and flexible content, it encourages cross-department participation, breaks down silos, and spreads learning through concise, high-impact knowledge exchanges. The aim is to build a shared understanding, improve process efficiency, reinforce a learning culture, and foster trust-based partnerships with suppliers.

TEMSIDEA Supplier Suggestion System

TEMSIDEA is a platform that systematically collects and implements ideas from suppliers that support financial performance and improve quality. Through this structure, suppliers submit proposals that can directly contribute to processes, and the ideas are evaluated and implemented by the relevant teams. The core objective is to boost supplier participation and develop innovative solutions that drive cost efficiency and quality.

TSEP – TEMSA Supplier Evaluation Program

TSEP – TEMSA Supplier Evaluation Program has been launched as a comprehensive capability-building program for critical suppliers. Its focus areas include 5S, Occupational Health and Safety (OHS), focused improvement, quality management, autonomous maintenance, human resources, logistics, problem solving, quality, and continuous improvement. In 2024, the program was implemented with five strategically important suppliers and will be expanded in the coming years. At year end, audit results, final scores, and outputs are shared with suppliers.



LOCALIZATION

In 2024, the global economic slowdown, geopolitical crises, and energy bottlenecks caused significant disruptions across supply chains worldwide. As these impacts were also felt in our country, TEMSA adopted a proactive and flexible management model to mitigate risks that could interrupt our operations. We focused on minimizing adverse effects in procurement by continuing more comprehensive demand forecasting efforts and early-order strategies to strengthen inventory management.

These global fluctuations accelerated a shift toward local sourcing in many markets. In line with this trend, we are reshaping the balance of domestic and international sources within TEMSA's supply chain. To prevent supply interruptions and reduce critical impacts, we are prioritizing localization initiatives. In this context, we are enhancing collaborations with local suppliers; the performance outcomes related to these efforts are presented in detail in the [Annexes](#) section of the report.

To safeguard our business continuity, we enhance our processes through scenario-based analyses, simulations, drills, and alignment with international standards, transforming our supply chain into a flexible and resilient structure against potential crises. This enables us to take swift, effective actions and manage operations during emergencies.

By prioritizing the use of domestic resources, we strengthen supply security and contribute directly to the national economy. We actively work to build the capabilities of local suppliers, deepen collaborations, and support the development of local industry. In doing so, we advance both our economic and environmental sustainability goals and establish a globally resilient supply chain.

Tech Day

This event, designed for domestic suppliers, aims to help them improve their own processes and raise awareness by showcasing effective existing practices. Dedicated solution zones are created to hear supplier challenges and develop pragmatic, results-oriented responses.

SUSTAINABLE LOGISTICS MANAGEMENT PRACTICES

We closely track and integrate national and international standards and regulations into our operations. When planning logistics, we ensure full compliance with global frameworks in environment and energy management, chiefly ISO 14001 and ISO 50001.

We monitor key climate policies such as the EU Green Deal and Fit for 55, CBAM, the Paris Agreement targets, logistics regulations, and Türkiye's National Climate Strategy, and embed country-specific carbon and sustainability targets from France, North America, the United Kingdom, and Germany into our strategies. In this scope, to reduce the carbon intensity of our import and export flows, we are implementing the "Green Logistics Movement." We partner with companies that use electric vehicles in road transport to accelerate electrification in our international logistics. We also prioritize sea freight to lower our footprint and develop alternative transport options using IRL and UND tracking.

On the import side, we focus on sustainable packaging projects, increasing the use of recyclable materials to support our circular economy goals. This approach makes our operations more efficient and responsible while contributing to the climate targets of Türkiye and the countries where we operate.



PRODUCT SAFETY AND QUALITY MANAGEMENT

Quality is a core value at every stage of our activities, and we manage our processes accordingly. As an export-oriented brand, we prioritize delivering reliable, high-quality, and sustainable products to global markets. To continuously enhance product durability and performance, we adopt a comprehensive quality management approach aligned with ISO 9001:2015 and applicable regulatory requirements.

We systematically evaluate feedback from customers and other stakeholders to identify improvement areas and set targeted action plans. Regular review meetings keep quality and safety standards at the forefront, and we monitor our quality management activities under a continuous improvement mindset.

This approach strengthens customer satisfaction, builds long-term trust, and reinforces TEMSA's quality-driven positioning in international markets.

PRODUCT SAFETY AND QUALITY MANAGEMENT

The impacts of R&D activities on product quality are presented under [R&D and Innovation](#); while the impacts of digitalization efforts on product quality are presented under [Digitalization and Technology](#).

Kaizen Initiatives

In 2024, we conducted 135 Kaizen projects and successfully completed 120 of them; the remaining 15 are scheduled for completion in 2025. These efforts delivered meaningful results across quality, cost, OHS, environment, and standardization. Under the quality focus, we implemented approximately 85 projects spanning assembly and quality processes, standardization, and design. In cost improvement, we carried out 38 projects targeting direct cost, labor, and scrap reduction.

In addition, 4 projects were completed in OHS. Through Kaizen, we continue to raise process efficiency, enhance quality in line with customer expectations, reduce defects, and support sustainable operational excellence.

Lean Production

We apply lean production techniques to optimize resource use, shorten customer lead times, and eliminate waste. This includes removing non-value-added steps, unnecessary material and labor movements, excess inventory, and long setup times, while preventing errors throughout the process.

A3 Analyses

With the A3 analyses we have developed to meet the needs and expectations of our customers, we identify the root causes of problems and ensure standardization. Our goal with this analysis method is to complete our problems in a way that aligns with the appropriate solution methods. Through this practice, while ensuring that issues are analyzed in detail, we aim to prepare accurate and lasting solutions that secure customer satisfaction. Another gain within this scope is the ability to reach the root cause of problems directly, thereby preventing the recurrence of issues reported by customers and saving time.

Digitization of the Quality Information Report

Regular tracking of quality reports contains elements and processes that optimize our operations and enable us to move faster. At TEMSA, by transferring PQR and DF data from SAP and Excel into the Power BI application, we carry out the daily monitoring of charts and reports in a digital environment. This project allows past data to be checked and ensures the traceability of data according to various criteria such as defect type, vehicle model, group code, assembly class, assembly group, part class, country, and supplier.

Quality Performance Report

With this project, which we implemented in 2022, we base our approach on the unit aging rates of the defined return and DF criteria and ensure that performance scores for each of our suppliers are created and tracked via real-time data flows. Thanks to our project, we track data instantaneously and identify suppliers with low performance. The financial benefit we obtain within this scope is that, by identifying areas where suppliers have room to improve, we prevent time losses related to allocating material losses such as scrap costs and issues experienced in production and procurement processes.

CST Agile Team

Thanks to this project, which we launched in 2022, we strive to prevent the resolution of customer complaints from being consumed by unproductive meetings and long solution cycles. By forming an agile team, we enable fast and lasting solutions to emerge. With this practice we developed to resolve our customers' complaints and issues more quickly, we ensure cross-functional collaboration among stakeholders from different departments and take actions that will increase customer satisfaction. With this system, the speed of problem resolution has increased, and the number of resolved PQRs rose from 6 notifications per month to 20. The standout feature of our work is taking swift action and responding rapidly to needs and problems. With the CST Agile Team practice, we will continue to enhance quality and secure positive feedback from our stakeholders.



CUSTOMER SATISFACTION AND EXPERIENCE

We adopt a holistic approach to respond to the needs and expectations of our customers in the most accurate way. Today, with the innovative solutions we offer in more than 70 countries, we continue to be a brand that makes a difference in the global market. Starting from the development process of our products, we analyze our customers’ needs in detail throughout their usage experience and focus on offering them the most suitable solutions. In after-sales services, we maximize customer satisfaction with our speed, transparency, and personalized solutions. In this period when digitalization and automation processes are leading to profound changes in the business world, we support our employees in adapting to evolving business models and bring new talent into our organization.

Through our performance management system, we closely track the development areas of our employees and our after-sales service network, and we provide various training and development programs to help them realize their potential and enhance their competencies.

We detected no privacy breaches in 2024.

We care about the privacy of our customers. In 2024, thanks to the work we carried out in this context, we did not identify any privacy breaches. As TEMSA, we make use of the Sanction Trace program for Third-Party Due Diligence.

In 2024, for the process in which we did not detect any environmental or social violations, we used 9 different metrics:

- Human rights and child rights
- Compliance with environmental protection regulations
- Arms embargoes
- Export controls on dual-use and sensitive items
- Measures to prevent financial crimes
- Labor safeguards and prevention of forced labor
- Anti-bribery and anti-corruption
- Anti-money laundering and counter-terrorist financing
- Data security measures

Due Diligence Process we prioritize minimizing risks related to environmental and social violations. Together with all our dealers, customers, and suppliers, we sign a comprehensive **TEMSA Compliance Undertaking** that commits to adherence with environmental regulations within the framework of a responsible supply chain. This undertaking includes strong commitments to fundamental human rights such as the Universal Declaration of Human Rights, the prohibition of child labor, and the ban on forced labor. All our practices and safeguards apply in every country where TEMSA operates and across our supply chain.

TEMSA Connect – Customer Management System

Purpose

- Consolidate all customer touchpoints under a single system for effective management
- Increase our customer satisfaction perception in line with TEMSA’s brand strategy
- Ensure brand standardization in domestic and international markets
- Build a loyal and satisfied TEMSA customer base

Outputs

- We manage complaints from all channels (Call Center, Service Centers–Web–Social Media–Sikayetvar) through a single system.
- We have integrated our service network into the Customer Management System.
- We manage complaints and technical requests received by services through the system.
- With the integration of TEMSA departments into the system, we actively track issues and close them quickly.
- By managing technical requests on the platform, we are building a technical knowledge base.
- With real-time monitoring, we analyze the status, volume, and waiting times of all requests and complaints.
- Through reporting, we prepare action plans for our teams and keep senior management informed.

TEMSA Connect Training

 <div>Purpose</div>	Introduce our Customer Satisfaction department
	Explain our targets
	Emphasize the importance we place on our customers
	Highlight the significance and benefits of the TEMSA Connect System for us
	Provide system training with hands-on practice, Q&A, and collect system suggestions
 <div>Objectives</div>	Ensure customer files are followed up quickly and effectively
	Enter complete and accurate information into each file
	Respond to customers faster and more comprehensively

CUSTOMER SATISFACTION AND EXPERIENCE

Uninterrupted support for customer satisfaction through digital solutions.

In 2024, prioritizing digitalization, we delivered online TEMSA Connect trainings to our service network to sustain customer satisfaction. We also launched our AI-powered TEMSA Connect Digital Assistant Platform for our customers.



The Secret to Our Success and Our Top Priority: Customer Satisfaction

Customer satisfaction is one of the most important elements of our sales strategy. The results of our customer satisfaction surveys confirm the soundness of our approach and help TEMSA stand out both in developing new products and in producing rapid solutions to customer needs. By spending more time in the field with our teams, we actively support both our authorized service network and our customers. By making our customers the focal point, we ensure they feel our constant presence through 24/7 uninterrupted after-sales operations.

Fleet Management Team Activities

Our Fleet Management team, established to win new customers, maintain existing relationships, ensure customer satisfaction, and provide 24/7 after-sales support to our fleet clients, continued its work in 2024.

Holiday Period Activities

To increase customer satisfaction and ensure vehicle safety during holiday periods, we carry out comprehensive roadside service activities. At events organized across 15 bus terminals in Türkiye, we engaged with 700 customers in total, 120 of them for the first time. As part of the event, vehicle inspection services were provided to all participants, and the technical condition of vehicles was examined in detail by expert technicians. In addition, one-on-one meetings were held with drivers to gather feedback and identify needs on site.



Authorized Service Meetings

To enhance quality in after-sales services and strengthen our service network, we held a meeting in Istanbul. At the meeting, we evaluated 2023 performance and shared 2024 targets and strategies with participants.



CUSTOMER HEALTH AND SAFETY



As TEMSA, we adopt a comprehensive approach to ensure the highest level of customer health and safety. In this regard, our [TEMSA Customer Health and Safety Policy](#) covers 100% of the activities carried out across our service network and ensures the implementation of high quality and safety standards. Through regular 5S Efficient and Orderly Work trainings and periodic audits across our service network, we provide a safe, organized, and efficient environment for both our employees and our customers. Customer health and safety is a priority we consider at every stage of the design, production, distribution, and use of our products and services.

Throughout the reporting period, there were no adverse incidents related to customer health or safety.

To manage risks effectively, we conduct regular risk assessments, analyze all processes for each product segment from development through post-use, and implement necessary improvements. We carry out company-specific studies to identify the potential health impacts of our products and services; accordingly, we run awareness programs, driver trainings, and information sessions. Each year we expand the scope of these activities to further raise customer awareness. To ensure our products are used safely, we implement performance-enhancing measures in after-sales services and conduct safety-focused product checks. Where necessary, we activate product recall processes quickly and effectively. We monitor these processes against defined key performance indicators to protect customer safety and minimize the need for recalls.

DRIVING SAFETY PRACTICES

At TEMSA, we address driving safety comprehensively with innovative solutions that anticipate future needs. Our driving safety approach holistically covers training programs that enhance drivers' knowledge and competencies, engineering projects that strengthen vehicle safety systems, and alignment with international regulations. In this way, we develop solutions that improve both passenger safety and driver performance while increasing the durability and reliability of our vehicles. Through our training programs, drivers gain expertise in safe driving techniques; through advanced engineering applications, we work on rollover scenarios, emergency lighting systems, and advanced driver assistance technologies. Thus, we meet today's needs and, by delivering vehicles ready for future regulations, lead safety-focused developments in the sector.

Within the double materiality approach we implemented this year, insights gathered from stakeholder feedback, financial and strategic impact assessments, and opportunity management studies confirmed that driving safety is among our company's priority topics. We integrate the identified risk and opportunity areas for this priority into our strategies, develop vehicles ready for future regulations, and position ourselves as a brand that leads safety-focused innovation in the industry.

With advanced engineering technologies, data analytics, and proactive safety systems, we are charting the safest route to sustainable



DRIVING SAFETY PRACTICES

Training on Safe and Economical Driving Techniques

We launched our “Vehicle Product – Safe and Economical Driving Techniques” trainings for driver teams of our fleet customers, holding the first sessions in Istanbul and Antalya. The initial step started in Istanbul with 172 TEMSA drivers serving HAVAIST’s urban passenger transport operations. The second step was carried out in Antalya with the participation of 28 drivers. Through this program, we provided training to a total of 200 TEMSA drivers in Istanbul and Antalya.

The three-stage training began with classroom sessions covering the technical, equipment, and safety features of the vehicles used by drivers; the second stage demonstrated practical driving techniques and detailed best practices for economical and safe operation; the final stage emphasized the importance of maintenance and authorized service usage to extend vehicle life. Continuing the training activities we began in 2022, we held 22 programs in 2024, reaching 792 TEMSA drivers and delivering a total of 212 person-days of training. We organized these sessions for drivers of our customers including Adana Metropolitan Municipality, Kütahya Metropolitan Municipality, Çetur, and Altur Yedaş, contributing to the enhancement of drivers’ knowledge and competencies.

FMVSS 227

The FMVSS 227 studies initiated in 2023 are proceeding within TEMSA to be completed ahead of the regulation’s entry into force in 2025. To ensure the sustainable safety of mobility across our product range, we simulate real-world conditions in computer-aided programs using the finite element analysis method and also conduct physical rollover tests to observe what occurs in real scenarios. We use the outputs of these studies to strengthen the design of TEMSA models.

USA Rollover Project

This project is carried out to enhance passenger safety during vehicle rollovers and to ensure compliance with U.S. regulations. It includes strengthening the vehicle body structure, material changes, computer-aided rollover analyses, and the design of critical components. Emergency exit windows, rack systems, interior accessory attachments, and side mirrors will be managed in line with FMVSS standards.



Emergency Lightning Module

Under a regulation specific to North America, vehicles longer than 33 feet must automatically activate emergency lighting in the event of an accident. In this context, we implemented a device that detects impact severity as G-force and communicates a message over the CAN bus to our software, triggering emergency lighting at the moment of a crash.

Integration of GSR Components

Through this project, we managed several design efforts to comply with the GSR Regulation, incorporating features that warn the driver when driving behaviors jeopardize safety. Innovative features provided as standard to customers include driver drowsiness detection, blind-spot detection using newly integrated cameras, driver alerts, pedestrian and cyclist-specific warnings, as well as systems that provide alerts during reverse maneuvers through parking sensors and rear-view cameras.

Prestij 2.0 Project

This project aims to upgrade an existing TEMSA vehicle model based on customer feedback, market needs, and compliance with GSR regulations. New safety technologies will be integrated into the vehicle in line with GSR standards, and advanced driver assistance systems such as blind-spot warning, emergency braking support, and lane-keeping will be managed through a single digital panel.

Intelligent Suspension

We ensure coordinated operation of the brake, motor, and suspension systems in our electric city buses. With our algorithm, we improved ride comfort, directly and positively impacting customer satisfaction.

DTC Screen

Our customers can diagnose potential faults in their vehicles by viewing error codes on the vehicle screen without needing licensed software or adapters. Customers can find the definitions of these codes in the vehicle documentation and easily access the relevant troubleshooting steps. When technical service support is required, the necessary assistance is initiated remotely without requiring the service to connect directly to the vehicle.



ENVIRONMENTAL IMPACTS AND SUSTAINABLE OPERATIONS



OUR ENVIRONMENTAL MANAGEMENT APPROACH

Within the scope of our sustainability-oriented value creation model, we aim to minimize our environmental footprint and create a positive impact on ecosystems in line with the strategic goals and commitments we have set. Accordingly, we implement targets that focus on critical environmental areas such as emissions management, energy efficiency, circular-economy practices, reduced water consumption, wastewater control, and biodiversity protection. Our strategy wheel addresses these priority areas in an integrated way, ensuring our sustainability strategy is managed with strength, consistency, and a long-term perspective. At the same time, we extend this approach across our entire value chain, managing the environmental impacts that arise throughout the life cycle of our products and services with a systematic lens and a commitment to continuous improvement.

We openly communicate our environment-related commitments through our [Environmental Policy](#), adopting a transparent and accountable approach. Guided by short-, medium-, and long-term roadmaps, the progress we implement enables us to further improve our environmental performance each year. In this context, we continually enhance our environmental management systems and align them with national and international standards, carrying out practices that are recognized globally. To reduce our carbon footprint, we develop energy-efficiency projects and increase the use of renewable energy sources.

Embracing a zero-waste mindset, we minimize waste generation, promote resource reuse by leveraging industrial symbiosis opportunities, and help scale circular-economy business models. Our water-management strategy ensures efficient water use in production while contributing to the protection of natural resources. By developing nature-based solutions and nature-inspired approaches, we focus on protecting biodiversity and support ecosystem restoration and the continuity of species. In addition, we deliver trainings and partnerships that build environmental awareness across our value chain, from our employees to our suppliers and customers.

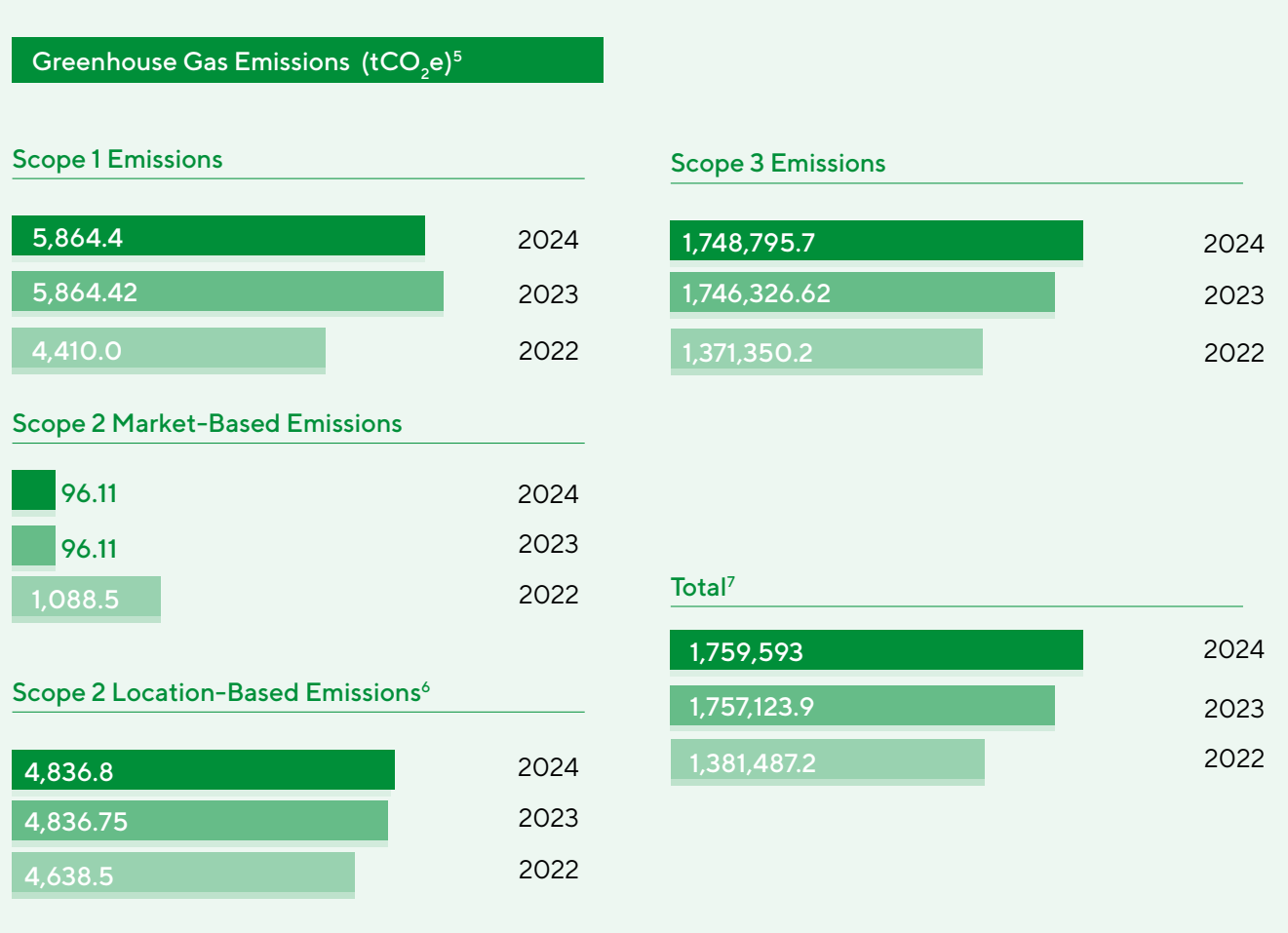
We monitor and regularly review these processes through our Sustainability Committee. Decisions on our environmental targets and performance are taken at the Board of Directors level. We also report our commitments and progress on environmental management to the Board on a regular basis via the Committee.

To realize our 2050 net-zero emissions target, we operate an integrated environmental-management model.

This governance structure enhances the effectiveness of our sustainability work, provides a key management mechanism for achieving our targets, and supports the management of climate-change impacts.



COMBATING THE CLIMATE CRISIS



⁵ Scope 1, Scope 2, and Scope 3 emissions have been calculated in accordance with ISO 14064-1, under the “Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard,” based on the operational control approach.

⁶ Scope 2 location-based emissions refer to carbon emissions resulting from national grid electricity consumption, while Scope 2 market-based emissions represent the carbon emissions associated with renewable energy consumption.

⁷ The 2022 Total Greenhouse Gas Emissions figure includes Scope 1, Scope 2 (market-based), and Scope 3 emissions.

Combating climate change, reducing the impacts of extreme weather, temperature volatility, and the geographic effects they bring, is one of our strategic priorities. Drawing on the scientific evidence set out in IPCC reports, we set targets and develop projects to mitigate these impacts. To secure business continuity in our production processes and minimize the effects of the climate crisis, we treat emissions reduction as a strategic objective. The WEF Global Risks Report’s identification of climate change as one of the world’s most critical risks further underscores the strategic importance of our work in this area. In alignment with international frameworks such as the Paris Agreement, we pursue policies that follow a roadmap consistent with global standards in emissions management.

At TEMSA, we prioritize zero-emission vehicle manufacturing and R&D investments.

We integrate emissions reduction into every stage of the product life cycle and our broader value chain. From product design through end-of-life, we systematically track our low-carbon goals and monitor progress using measurable indicators. Across our supply chain, we run sustainability programs to spread low-carbon practices, providing technical support and guidance to help suppliers improve their environmental performance. In this way, we play a leading role in our sector’s response to climate change.

Alongside producing zero-emission vehicles, reducing our corporate carbon footprint and ensuring regulatory compliance form a key part of our climate strategy. We began comprehensively accounting for our carbon emissions across the 2017–2023 period. In 2024, our emissions intensity was 0.108 tons CO₂e/TRY. During the reporting period, we received approval from the Science Based Targets initiative (SBTi).

We aim to reduce our Scope 1 and Scope 2 greenhouse gas emissions by 68.6% by 2030 compared to 2021 levels, and by 90% by 2050.

By 2030, we also target a 42% reduction in well-to-wheel Scope 3 greenhouse gas emissions from the use of sold buses and midibuses versus the 2023 base year, and a 59.6% reduction per passenger-kilometer. By 2050, relative to 2023, we aim to reduce Scope 3 emissions from purchased goods and services and from the use of sold vehicles by 97% per passenger-kilometer, and to achieve net-zero greenhouse gas emissions across our value chain. These targets have been set in line with the SBTi, consistent with limiting global warming to 1.5°C.

In addition, we have aligned with the 2023 “SBTi Net-Zero Standard for the Automobile Sector” to follow sector best practices.

ENERGY MANAGEMENT

As we shape the future of mobility, we continue to pursue our SBTi-approved targets.



Türkiye is undergoing a determined transformation in line with its vision of full energy independence, with renewable energy strategies at the center of this shift. The Türkiye National Energy Plan published by the Ministry of Energy and Natural Resources highlights the future role of Solar Power Plants (SPP) as a strategic element, showing that they will hold a critical position in our country’s energy security and sustainable development.

At the global level, reports by the International Energy Agency (IEA) project that by 2050, 90% of the world’s energy sector will be made up of renewable sources. The European Union also aims to increase the share of renewables by 2030, positioning itself as one of the leaders of this transition.

As TEMSA, we integrate both global and local energy transitions into our strategies and advance in line with goals such as combating climate change, complying with international standards, preserving our brand value, and maintaining our competitive strength. We are accelerating our renewable energy investments and energy efficiency initiatives to meet our emissions targets. During the reporting period, we signed a virtual Power Purchase Agreement (PPA) with our electricity supplier and transitioned to the use of renewable energy in our operations. In 2024, we met 100% of our Scope 2 emissions from renewable sources at our Adana plant, achieving a complete reduction in Scope 2 emissions.

Our 2024 energy intensity was 0.002 MWh/TL. We view energy investments as a critical lever that secures business continuity and enhances operational efficiency, and we factor them into our capital expenditures and financial impact analyses.

We are making comprehensive investments in energy management and conducting large-scale R&D projects aimed at minimizing our impacts. Through these efforts, we support our operational processes, continuously improve our performance, and deliver innovative solutions that create a competitive edge in energy efficiency. In doing so, we contribute to the renewable energy transition at both national and global levels.

ISO 50001:2018 Energy Management System Activities

We operate in line with the ISO 50001:2018 Energy Management Standard. This standard enables us to improve the energy performance of our operations and ensures the continuous enhancement of our processes. Through training programs designed to raise awareness among our customers and business partners, we aim to increase knowledge on energy efficiency. We have formed a specialized team to coordinate energy efficiency initiatives at our production facility. This team plans, implements, and scales projects that enhance efficiency, while an independent audit team monitors the work on a regular basis to ensure effectiveness and sustainability. With our internal auditors playing an active role, this process allows us to evaluate our energy management system and identify and implement improvement opportunities

Energy Efficiency Initiatives

In the previous reporting period, we implemented LED lighting conversions across 14 departments, saving 46,665 kWh of electricity and thereby reducing our Scope 2 greenhouse gas emissions by 19.23 tons and our Scope 3 emissions by 1.92 tons CO₂e. Through pipeline insulation work, we saved 43,256 kWh of electricity, cutting our Scope 2 emissions by 17.82 tons and our Scope 3 emissions by 1.78 tons CO₂e. Following our renewable energy investments, we brought electricity-related emissions close to zero and focused our energy efficiency efforts on natural gas use.

Our Electric Vehicle Avenue Electron and EPD Certificate

We launched our Avenue Electron bus in 2021. Designed with energy savings and environmental stewardship in mind, this vehicle stands out with its zero emissions and zero noise, addressing the environmental needs of smart cities. With enhanced range technology, it delivers 15% more range for improved energy efficiency. Offering battery options of 240 kW, 300 kW, and 360 kW and an advanced battery management system, Avenue Electron provides up to 350 km of range, delivering high performance and a sustainable mobility solution. In addition, our Avenue Electron holds Türkiye’s first bus Environmental Product Declaration (EPD) certificate.

Renewable Energy Initiatives

One of our most important strategic decisions for the future is to expand the use of renewable energy in our operations and reduce our dependency in this area. To that end, we are working to build our own energy generation infrastructure. As part of our renewable energy strategy, we successfully completed our rooftop SPP project. Thanks to this project, implemented in cooperation with ENERJISA, 11% of the electricity used at our plants now comes directly from solar energy. We also commissioned our MICROGRID project, bringing our energy storage system online. This innovative system enables the uninterrupted and efficient use of solar power at our plant, supports our energy supply security, and ensures business continuity in our operations.

AIR QUALITY MANAGEMENT AND EMISSIONS CONTROL

We conduct our production activities in full compliance with the legal regulations and environmental standards set by the Ministry of Environment, Urbanization and Climate Change, and we manage all reporting processes based on transparency, accuracy, and rigor. During the reporting period, we monitored the draft “Regulation on the Management of Industrial Emissions” that was released for consultation and completed the necessary preparations to ensure compliance with the new provisions

At our existing production facilities, we fully comply with the annual solvent consumption limit values defined under the Regulation on the Control of Air Pollution from Industrial Sources. In new bus painting processes, the limit value is applied as 225 g/m² for production volumes at or below 2,000 units per year, and 290 g/m² for production volumes at or above 2,000 units per year until December 31, 2026. This limit will be reduced to 150 g/m² as of 2027. As TEMSA, we are continually improving our processes and implementing the necessary technological and operational enhancements to prepare for this transition.

In our VOC (Volatile Organic Compounds) calculations, we carry out detailed analyses covering critical parameters such as vehicle surface areas and the types and quantities of chemicals used.

We regularly review past VOC results to identify areas for improvement and restructure our processes in line with the data obtained.

In the previous reporting period, due to design updates in our product portfolio, we recalculated the surface areas of our products. We also expanded our monitoring and measurement mechanisms by including in VOC reporting those parts that had previously not fallen within the scope of our cathodic electrocoating (cataphoresis) facility.

Recognizing the critical importance of solvent tracking in the automotive sector, we conducted a detailed analysis of the chemicals used in our processes and replaced high-solvent-content substances with environmentally friendlier alternatives. We supported this transition through meetings with our production units and internal communications initiatives to ensure effective implementation.

In line with our legal obligations, we conduct emission measurements regularly every two years and report the results. Measurements performed in 2023 confirmed compliance with legal limit values, and no deviations were identified. Our next measurements will be carried out in 2025, and we will disclose the results.

CARB Regulation Project

This project is carried out to comply with the new NOx emission standards set by the California Air Resources Board (CARB) and to strengthen TEMSA’s position in the California market. Within the scope of the project, it is aimed to renew the exhaust, cooling, fuel, and electronic control systems, with a primary focus on the engine and powertrain. Upon completion, TEMSA will offer low-emission, environmentally conscious, and high-performance vehicles, contributing to improved air quality and the fight against climate change.



PRODUCT LIFE CYCLE ANALYSIS

At TEMSA, we adopt strategies that integrate our environmental sustainability approach into our production processes. In this context, we systematically monitor the environmental impacts arising at all stages of our operations and value chain in line with our Life Cycle Analysis (LCA) Policy. We prepare LCA reports to regularly and measurably track progress toward our emission targets; through these reports, we comprehensively assess the environmental footprint of our products and services, including material and resource use, greenhouse gas emissions, and energy consumption.

Our life cycle efforts provide a comprehensive environmental impact assessment that covers all phases of a product, starting from the design stage. In this way, we identify critical points where emissions are concentrated and implement R&D-driven improvements to reduce impacts during the use phase. To lessen environmental impacts and increase energy efficiency, we run projects in areas such as digitalization and innovation, alternative material use, and alternative fuel technologies. Products developed with lighter, more durable, and environmentally responsible materials support our sustainable mobility vision, while our electric and alternative-fuel vehicles deliver zero emissions during use, maximizing environmental benefits.

To underpin life cycle management with measurable metrics and advance our sustainable mobility strategy, we obtained the Environmental Product Declaration (EPD) certificate. This certificate discloses all environmental impacts of our products from raw material sourcing through production and use to end-of-life. With the EPD, we are establishing a reporting framework aligned with international standards and implementing practices that set an example within our industry.

The first Turkish bus manufacturer to obtain an EPD certificate

As TEMSA, by completing the full life cycle analysis of Avenue Electron, which is shaped by sustainability and technology leadership, we obtained an Environmental Product Declaration (EPD) certificate, becoming the first bus manufacturer in Türkiye and the sixth in the world. This progress supports our leadership in zero-emission vehicle technologies and represents the strategic steps we are taking toward becoming a brand that guides the global transition to sustainable mobility.



WASTE MANAGEMENT AND CIRCULAR ECONOMY PRACTICES

Waste (ton)	2022	2023	2024 ⁸
Hazardous Waste	508	725.90	880.38
Reused/Recycled Hazardous Waste	-	92.74	99.91
Hazardous Waste Recovered for Energy	-	638.10	780.3
Disposed Hazardous Waste		0.06	0.173
Non-Hazardous Waste	1,044	1,431.7	1,500.02
Amount of Recycled Waste	1,552	2,157,54	1,599.93
Rate of Reused/Recycled Waste	100%	100%	67,21%
Total Plastic Consumption (Tons)	13.31	169.52	7,652

At TEMSA, we approach waste management with a systematic, data-driven methodology. Our goal is to minimize waste generation at every stage of our processes and to develop solutions that contribute to the conservation of natural resources. In this direction, we monitor all steps from raw material procurement to production and logistics, identifying opportunities to reduce waste at its source.

⁸ In 2024, our overseas subsidiaries were also included in the scope; therefore, the figures vary compared to the previous year.

We track generated wastes, implement accurate and efficient segregation methods, and make the data traceable through comprehensive reports. By analyzing wastes arising from production processes in detail, we first explore possibilities for source reduction and circular economy business models. In cases where these methods cannot be implemented, we manage wastes through reuse, recycling, or disposal methods that cause the least harm to the environment.

WASTE MANAGEMENT AND CIRCULAR ECONOMY PRACTICES

At TEMSA, by integrating circular economy principles into our business processes, we aim to create a production model in which resources are used efficiently and waste is converted into economic value. In our R&D activities, we adopt circular economy business models suited to our industry and reshape processes extending from product design to production and through to the end of the product’s service life.

Through our circular economy efforts, we aim by 2030 to have certain products designed in line with circular principles (durability, repairability, circular composition), to facilitate the transition to a circular economy by collaborating with our stakeholders to maximize material procurement efficiency by 2040, to achieve our zero-waste target by 2045 and move away from disposal through landfilling and incineration, and to reach 50% circular flow by 2050.

In our product development processes, starting from the design phase and continuing through to the end of the product’s service life, we implement improvements that reduce environmental impacts. Without compromising our product safety and quality standards, we use lighter and environmentally friendly materials to reduce our carbon footprint and increase the sustainability of our products. In addition, we completely eliminate materials that are harmful to human health in our production processes and reduce environmental risks by using water-based paints in coating operations.

We are also taking pioneering steps in electric vehicle technologies that are shaping the future of sustainability. We develop circular applications for end-of-life batteries and design systems that enable these batteries to be repurposed for alternative uses. In this way, we both reduce the amount of waste and create new business models and market opportunities.

Our Zero Waste Approach

As TEMSA, by aligning with the Zero Waste system administered by the Ministry of Environment, Urbanization and Climate Change, we qualified for the “Zero Waste Basic Level Certificate.” We continue our efforts to achieve our zero-waste target by 2045 and to move away from disposal through landfilling and incineration. In this context, we manage comprehensive processes for source reduction and effective segregation of waste and cooperate with licensed recycling facilities.

Within the system established at our Adana plant, we identified a total of 27 different waste types, comprising 13 non-hazardous and 14 hazardous categories. To collect these wastes separately at their source, we placed 600 waste segregation bins and directed the materials to 10 different recycling and recovery facilities. Through the “Ortaya Çıkanlar” project, which we launched to increase efficiency, we conduct weekly on-site inspections and monitor the results with a point-based scoring system. At the end of the year, the most successful team is encouraged with the “Most Environmentally Friendly Team” award. In addition, by recording department-based waste data through a weighbridge system, we ensure transparency during inspections by the Ministry and identify critical points for waste reduction.

Our Practices and Collaborations that Support Our Circular Economy Perspective

Use of Environmentally Friendly Materials in Our Products

As TEMSA, by complying with international regulations to maintain our competitive advantage and by minimizing our environmental impacts in our processes, we attach importance to continuous improvement in our production activities to take firmer steps toward being a sustainable company. One of these improvements is the selection of environmentally friendly materials in our products.

In this context, we are developing various R&D projects in cooperation with TÜBİTAK. Within the scope of the TÜBİTAK 1004 project, we aim to develop lightweight and sustainable composite materials as an alternative to wood-based composites in the automotive industry. At the same time, through the TÜBİTAK 1501 project, we aim to produce environmentally friendly products by using alternative and innovative materials to reduce the weight of our vehicles.

By integrating circular economy business models into our strategy, we are shaping the future of sustainable production and aim to achieve 50% circularity by 2050.



WASTE MANAGEMENT AND CIRCULAR ECONOMY PRACTICES

Our Practices and Collaborations that Support Our Circular Economy Perspective

Circularity of Electric Vehicle Batteries

With the TÜBİTAK 1505 Home UPS project, we aim to design and develop a prototype of a grid-connected energy storage unit supported by photovoltaic panels, using secondary materials obtained from end-of-life electric bus batteries. With this project, we aim to support product circularity in electric vehicles, create a competitive product in international markets, and contribute to the national economy both in terms of technical knowledge and economically.

Improvement Efforts in Our Production Activities

As TEMSA, we carry out continuous improvement efforts in our production activities with the aim of minimizing our environmental impacts. As a result of the analyses we have conducted, we have implemented many projects that improve our processes in the areas of circular economy, scrap reduction, and the use of hazardous materials.

Collaboration with TEMSA, ITU, and Kastamonu Entegre: Sustainable Composite Floor Base Development Project for the Eco-Friendly Transportation of the Future

TEMSA, one of Türkiye’s leading bus manufacturers, has joined forces with Istanbul Technical University (ITU) and Kastamonu Entegre for a prestigious collaboration within the scope of the TÜBİTAK 1004 project. This collaboration represents a project to develop eco-friendly and sustainable composite floor base boards of the future. Led by TEMSA, this project stands out as an important step that will contribute to the development of eco-friendly transportation. At a meeting held at ITU, the project’s progress and the details of the collaboration were discussed.

Parts Reintroduced to Production from the Exhibition Warehouse

As TEMSA, we carried out a transformation effort to re-evaluate parts in the exhibition warehouse that could not be used due to revision differences. Within this scope, parts such as inverter harnesses, pre-heaters, hoses, and rear-view camera cables were put through revision processes and made reusable on the production line.

Reduction of Our Single-Use Plastic Consumption

As TEMSA, we have voluntarily become a member of the Business Plastics Initiative launched by the Sustainable Development Association (SKD). Within this scope, we commit to a 100% reduction by 2024 in the consumption of single-use plastics in certain categories in our offices. To achieve our goal, we aim to prevent unnecessary plastic use and to switch to a reuse model where possible.

Reintroduction of Lower Panels into Production

Through a revision carried out on the side tank covers of HD, HD RHD, and Safir vehicles, 123 panels that were idle on the production line were re-evaluated and reintroduced into production. With the revision, unused panels were converted and used in new reference covers, thus preventing waste generation and reducing the use of natural resources.

Spare Parts Recycling Projects

Boxes and crates used in the production area and planned to be treated as waste have been repurposed in line with our sustainability approach and started to be used in spare parts shipments. With this project, the use of high-cost foam in packaging processes has been reduced, and cartons that were in a waste state have been recycled and brought back into use.

By reusing 2,400 kg of waste cardboard annually, the carbon footprint has been reduced, cost savings have been achieved, and a more flexible, practical packaging opportunity has been created. In addition, space has been gained in packaging areas within the warehouse.

Through strong collaborations, we are making the circular economy the production model of the future.

WATER AND WASTEWATER MANAGEMENT

As TEMSA, we monitor our commitments regarding the sustainability of water resources through our sustainability targets and our [Water Policy](#), acting with an awareness of water’s critical importance for the continuity of our planet and the balance of ecosystems. In this context, we carry out efforts to protect water resources, use them efficiently, and manage them responsibly, and we support our targets to reduce water consumption.

In line with globally published IPCC reports and the SDGs, we closely follow strategic approaches to the sustainable management of water. At the same time, acting within Türkiye’s National Water Plan, we develop policies and technologies that increase water efficiency in our production processes. In our approach to water management, we involve our employees, suppliers, and business partners, spreading this awareness throughout our value chain.

As a result of our efforts for water conservation, we achieved total water savings and contributed to our sustainable production goals by recording an improvement in water consumption per vehicle.

Factors such as climate change, population growth, overuse of water resources, and water pollution are increasing the pressure on our country’s water resources. According to data published in national and international sources and the Water Risk Atlas announced by the World Resources Institute (WRI), Türkiye will face significant challenges regarding the sustainability of its water resources. The province of Adana, where we operate and where our plant is located, is also within the area that may be affected by global temperature increases and water stress. For this reason, in our environmental risk and opportunity analyses, we take into account the risks of drought and water stress that may occur due to climate change. In such a case, we have determined that there is a risk of interruptions in our operational processes for a prolonged period. To overcome the physical and financial risks we may encounter and to ensure the continuity of our production, we are implementing good practices that will reduce our water consumption, and we aim to make significant investments by conducting feasibility studies at our water treatment plants to further increase our water efficiency in the coming periods.

During the reporting period, we achieved **14,833 m³ water savings.**

Water Consumption (m³)	2022	2023	2024
Water Withdrawal – Municipal Water (Used from Third-Party Sources)	11,559	14,626	16,519
Water Withdrawal – Groundwater	116,113	123,708	112,110
Reused/Refurbished Water	-	2,877	7,846
Total Water Consumption and Wastewater Discharge	127,672	138,334	128,629
Discharged Wastewater	54,379	56,171	48,724
Water Consumption	73,293	82,163	79,905

Our Zero-Emission Vehicles

As TEMSA, our zero-emission buses, one of the key outputs of our sustainability strategy, play a critical role in the transition to a sustainable transportation system. These vehicles reduce fossil fuel use, prevent greenhouse gas emissions and air pollution, and also contribute to the conservation of water resources.

Our electric vehicles produce zero emissions during use and offer higher efficiency compared to conventional vehicles. In this way, we reduce both carbon emissions and the risks of air and water pollution, making an effective contribution to combating climate change.

Our vehicles equipped with HD Fuel Cell technology use hydrogen gas, a renewable and clean fuel, and produce only water vapor.

Our Improvement Efforts in Production and Shared Areas

As TEMSA, we take various measures to improve our production activities and achieve our sustainability targets. In 2022, we conducted a detailed analysis to identify areas where we could improve our production processes. Through this analysis, we identified focus points that would positively affect our water consumption and generate savings. By examining non-instructional water uses in detail at our FKT facility, we identified points with potential for water savings. As a result of our efforts in this direction, we achieved a total of 890 tons of water savings. We prevented leaks with sensor systems in the washrooms used by our blue-collar employees and saved 3,978 m³ of water. Through the steam boiler return system, we prevented potential line losses and recovered 150 m³ of water.

WATER AND WASTEWATER MANAGEMENT NATURE-BASED APPROACHES

WE'VE REDUCED OUR
WATER
CONSUMPTION
PER VEHICLE BY **20%**
AND ARE RECOVER OUR FACTORY WASTE.



Our Treatment Plants

In our treatment plant, designed with a capacity of 100 m³/day for industrial wastewater and 330 m³/day for domestic wastewater, we apply physical, chemical, and biological treatment processes. Thus, we ensure that the resulting wastewater is discharged in compliance with legal requirements. To determine wastewater quality, we carry out analyses at accredited laboratories at regular intervals. We develop projects to reuse water discharged from our treatment plants for garden irrigation and other suitable operations. In 2024, by directing our wastewater to the power plant's service water tank and integrating it into the garden irrigation system, we achieved savings of 7,846 m³ of water.

Efficiency of Water Consumption Used in Our Quality Processes

In our production activities, we carry out water-based safety procedures in the quality assessments of all our vehicles. Each vehicle we produce is tested for durability in an environment that simulates heavy rain conditions for 20 minutes against extreme rainfall that may occur due to climate change. If water ingress into the vehicle is detected, we perform the necessary intervention and repeat the shower test. In our water permeability/shower tests, one of our most water-intensive processes, we used a photoelectric cell system to reduce water consumption as much as possible and achieved water savings of 90 m³ per vehicle. During the reporting period, we saved 5,655 m³ of water through improvements to the Shower Test (DTÜ). In addition, by developing our systems to enable the water used in our tests to be reused with minimal additions while completing our quality processes, we achieved a water use of 4.5 m³ per minute in each test

We ensure water savings through projects focused on recovery, reuse, and efficiency.



At TEMSA, we build our sustainability vision on the understanding of living and producing in harmony with nature. Inspired by nature's own cycle and regenerative capacity, we design our business processes in a way that supports ecosystems. We continually improve our activities to protect natural resources and biodiversity and to mitigate the impacts of climate change, adopting a production approach that respects nature's balance. From this perspective, in the fields of energy efficiency, water management, R&D and innovation, digitalization, and the circular economy, we produce solutions that preserve nature's cycle and are compatible with nature. We shape our business model around the regenerative power of nature .

By blending the innovative ideas offered by nature with technology and engineering, we evaluate our products and processes through a life-cycle perspective. We steer our sustainability strategy in line with nature's rhythm, managing our environmental, economic, and social impacts in a balanced and responsible manner. Within the scope of biodiversity, we are managing the TEMSA Adana Campus Biodiversity Project for Carbon Footprint Reduction and Carbon Sink Creation. We aim to complete the first phase of the project in 2025 and the second phase in 2026. As TEMSA, we aim to be a pioneer of a nature-integrated transformation that addresses the needs of both today and the future.



OUR NATURE-BASED PRACTICES

As TEMSA, inspired by nature’s regenerative power, we develop solutions that reduce our environmental impacts and align with ecosystems. Energy efficiency, water management, and the protection of biodiversity are among our priority focus areas. While accelerating the transition to renewable sources in energy management, we develop sustainable use models that will preserve water’s natural cycle. In our biodiversity work, we carry out projects to protect habitats and strengthen ecosystems. We plan all these practices in alignment with international frameworks such as TNFD and SBTN, linking risks and opportunities for nature to scientific guidance. In this way, we put forward a business model that contributes to nature’s restoration.



BIODIVERSITY PROTECTION

In line with our [Biodiversity Policy](#), we adopt a data-driven, measurable, and participatory approach for the continuity of natural life. To realize the commitments in our policy and our biodiversity targets, we integrate best practices in sustainable resource management into our processes and develop projects in cooperation with local communities, universities, and our stakeholders. We also aim to increase knowledge and awareness regarding biodiversity protection by supporting research and innovative solutions.

Across our supply chain, we work closely with our suppliers and business partners to encourage practices aligned with our targets. By regularly following global developments and scientific reports on biodiversity, we update our policies and adopt the most current approaches. As we expand our areas of operation, we analyze our potential impacts on flora and fauna through Environmental Impact Assessment (EIA) reports we prepare. Although our current reports indicate that there is no obligation regarding the protection of biodiversity within the legal framework, as TEMSA we continue to carry out voluntary projects.

With the biodiversity projects we have implemented at our facilities in Adana and France, we aim to enhance the resilience of local ecosystems and contribute to the conservation of natural habitats. Through these efforts, we create a long-term and sustainable impact that strengthens nature’s capacity for self-renewal.



TEMSA Environmental Impact Assessment (EIA) Report

According to the Additional Final EIA Report for TEMSA Global San. ve Tic. A.Ş. Vehicle Production Facility and pursuant to the EIA Regulation published in the Official Gazette dated 03.10.2013 and numbered 28784, the area of influence of TEMSA’s operations is not within areas that are required to be protected under our country’s legislation. These areas are defined as follows.

- National Parks, Nature Parks, Natural Monuments, and Nature Conservation Areas
- Wildlife Protection Areas and Wildlife Placement Areas
- Areas defined as Cultural Properties, Natural Assets, Sites, and Conservation Areas
- Fishery Production and Breeding Areas
- Areas defined in the Water Pollution Control Regulation
- “Sensitive Pollution Zones” defined in the Regulation on the Protection of Air Quality
- Areas identified and declared as Special Environmental Protection Zones under the Environmental Law
- Areas protected under the Bosphorus Law
- Places counted as forest areas pursuant to the Forest Law
- Areas where construction is prohibited under the Coastal Law
- Areas specified in the Law on the Improvement of Olive Cultivation and Grafting of Wild Olive Trees
- Areas specified in the Pasture Law
- Areas specified in the Regulation on the Protection of Wetlands

BIODIVERSITY PROTECTION

TEMSA Adana Campus Biodiversity Project for Carbon Footprint Reduction and Carbon Sink Creation

As TEMSA, we have implemented the Carbon Footprint Reduction and Carbon Sink Creation Project at the Adana Campus, which aims to transition to a carbon-neutral production structure by scientifically analyzing our greenhouse gas emissions. In the first phase of the project, a detailed calculation and spatiotemporal modeling of our campus’s annual emissions were carried out. Within the scope of the project, big-data-based analyses were conducted using multi-layered datasets such as ERA5 climate data, ALOS PALSAR topography data, Sentinel-5P atmospheric emission data, and CAMS air quality forecasts. In this way, by mapping how our emissions are distributed around the campus, we identified the points where environmental impacts are most intense. By spatially analyzing and visualizing the annual emission intensities in our production units, we lay the groundwork for managing our impacts in greater detail and developing balancing strategies. These maps play a critical role in planning and designing greenhouse gas sink areas. In the second phase, special plant compositions that will increase greenhouse gas absorption will be developed based on these data, and implementable plans will be created through visualization. Thus, carbon offsetting processes will be implemented on our campus with nature-based solutions.

Analyses are carried out at four different levels: the emission structure across Adana province, the urban core, the industrial zone around TEMSA, and the campus area itself. As a result of the studies, it was found that TEMSA’s emissions have a quite limited impact across Adana; however, engine testing processes and high-temperature combustion activities are decisive for NO and NO₂ emissions. According to 2024 data, the total annual carbon footprint of TEMSA Adana Campus was calculated as 7,486 tons of CO₂e. The majority of these emissions originate from NO (2,773 tons of CO₂e) and NO₂ (4,710 tons of CO₂e). These results provide an important scientific basis for investments aimed at improving energy management and combustion efficiency.

In the second phase of the project, it is aimed to make the campus carbon-neutral through the carbon sink areas to be developed. In addition to being a critical step in TEMSA’s carbon-neutral campus vision, this project serves as a model good practice for nature-based emission management in industrial zones.



TEMSA France Biodiversity Project

In our operations in France, we are implementing innovative projects focused on protecting biodiversity and strengthening ecosystems. In this context, in collaboration with All Colibri, we offer our customers two special contribution opportunities through which they can provide direct environmental benefits. After vehicle delivery, our customers can choose either sapling planting to revitalize France’s green spaces or bee-hive sponsorship to support local ecosystems, thereby taking a meaningful step toward nature conservation. With bee-hive sponsorship, we contribute to the protection of bee populations and support the natural cycle of biodiversity by promoting the pollination of vegetation. The honey obtained in this process is harvested in the summer and presented to our customers in personalized jars. This practice transforms post-sales processes into a model that creates environmental value and also contributes to increased social awareness of nature conservation. As TEMSA France, we are redefining the customer experience from a sustainability perspective and taking effective steps to conserve biodiversity.



PREVENTION OF DEFORESTATION

Forests play a critical role in maintaining the global carbon balance, ensuring the continuity of biodiversity, and regulating the water cycle. As TEMSA, we treat the protection of these ecosystems as a strategic priority and adopt approaches in our business processes that prevent deforestation. Accordingly, we analyze our activities and supply chain in detail, identify risks that may lead to deforestation, and develop strategies to eliminate these risks.

While sustainable resource use is positioned as one of the core focuses of our supply chain, we prioritize environmentally sensitive methods in the procurement of raw materials and products. We support these processes with technology and innovation. By using digital monitoring systems and AI-supported analytical tools, we detect potential risks at an early stage in both our own operations and those of our suppliers and take proactive actions. In this way, we manage our indirect impacts through our business partners and suppliers in a positive manner. We closely follow the Sustainable Development Goals, the EU Deforestation Regulation (EUDR), and relevant regulations in Türkiye, and we develop policies in alignment with these frameworks. Thus, we aim to establish a system covering our global value chain for the prevention of deforestation. This approach enables TEMSA to integrate nature-based solutions into its business model, contributing to medium- and long-term sustainability targets while also supporting a responsible production and procurement mindset.

SOCIAL IMPACTS AND HUMAN-ORIENTED ORGANIZATION



SOCIAL IMPACTS AND HUMAN-ORIENTED ORGANIZATION

We act with a clear sense of responsibility for social issues and work to turn social impact into lasting solutions.

Through our **Social Sustainability Policy**, we commit to ensuring equal opportunity; reducing social inequalities; providing a working environment that upholds human rights across our entire value chain; and strengthening trust-based relationships in every part of our business.

We uphold respect for human rights as a core principle and have zero tolerance for child labour and forced labor. We promote the equal participation of women, young people and people with disabilities in the workforce, supported by equal pay for equal work and an inclusive leadership approach. We continuously monitor occupational health and safety risks and foster a safe-driving culture across our driver network and authorized service providers. We keep our programs aligned with business needs and individual goals, based on a commitment to accessible learning, and we support them with digital solutions.

We create positive impact by building partnerships across our value chain and advancing human rights practices; and we manage product sustainability from design through to end-of-life.

These commitments are anchored in our Social Sustainability Policy and tracked through regular monitoring and reporting.

At TEMSA, we advance our social sustainability agenda consistently, guided by a community- and human-oriented approach, and we continue to enhance social value through transparent communication and effective projects.


HUMAN RIGHTS

We act with an awareness of the critical consequences of rising human rights risks and violations worldwide, and we adopt respect for human rights as a core principle across our entire value chain. We apply this approach at every stage of our operations and focus on building a fair, inclusive, and sustainable business model in our relationships with business partners, employees, suppliers, and society.

At TEMSA, our human-rights-focused approach broadens opportunities and builds long-term value and trust.

We shape our commitments in line with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the ILO’s fundamental labor rights. We are committed to sustaining working life in a dignified, fair, and inclusive environment, and we treat psychological safety as a cornerstone of our culture. This approach supports our employees’ well-being and creates a strong foundation for creativity, innovation, and shared success.

At TEMSA, our HR strategy is built on a human-oriented employee-experience approach that leads transformation. We streamline all processes from hiring to offboarding and continuously strengthen an inclusive, psychologically safe environment through data-driven practices. Through feedback mechanisms, personalized learning programs, and well-being and equity-focused initiatives, we regularly measure and improve the employee experience.



TEMSA’s psychologically safe, rights-based workplace, we openly ask for support from one another, recognize one another’s contributions, and volunteer to take responsibility for social issues.

According to our employee engagement survey results, satisfaction among our blue-collar employees is 88%, which is 14 points above the Türkiye blue-collar average. Our blue-collar engagement score is 81%, which is 9 points above Sabancı Holding companies’ blue-collar benchmark and 20 points above the Türkiye blue-collar benchmark. We run our engagement and satisfaction surveys on a two-year rotation, one year for blue-collar employees and the next for white-collar employees. In the next reporting period, the survey will be conducted with our white-collar employees.

HUMAN RIGHTS

With a zero-tolerance approach to discrimination, we provide fair, healthy, and safe working conditions.

We support the participation of women, young people, and disadvantaged groups in employment and implement strategies to increase women’s employment, particularly in recruitment. Through our diversity and inclusion policies, we create space for employees to realize their potential and encourage participation through feedback channels. We protect work–life balance through flexible practices and benefits, and we foster a sense of community through employee clubs.

We run a carefully designed process to make our new team members’ first day safe and comfortable. We arrange pickup from their homes, meet immediate needs with welcome kits, and provide fully prepared workstations from the start. Through T-Buddy mentorship, department visits, and factory tours, we help them get to know our culture firsthand. We also ease their transition with preboarding and onboarding programs that begin before day one. As a result, new colleagues build a strong sense of belonging and integrate quickly into our work.

As part of our onboarding program, before On-the-Job Training (OJT) begins, we offer a hands-on experience with our TEMSA buses called “B2Feel.” Following this experience, all employees who start in their roles receive a TEMSA field orientation.

With the OnWays Digital Orientation process we developed at TEMSA, we aim to enrich the employee experience and raise satisfaction. We track the profile creation, testing, interview, and evaluation steps through regular satisfaction surveys, and we continuously improve the process based on feedback.

While preparing our digital training content, we worked in close collaboration with all departments at TEMSA, carefully identifying the essential information that new team members may need and enriching it with AI-powered voice–overs that reflect our corporate approach.

In 2024, our candidate-experience satisfaction score was **4.8** out of 5, a result we attribute to our human-oriented approach and commitment to continuous improvement.



As next generation learning technologies replace traditional methods, we have aligned our OnWays Digital Orientation process with this transformation. Thanks to Metaverse integration, our employees can join interactive sessions with their avatars, experience TEMSA culture, and go through the orientation process in a more inclusive way. In this way, through AI-supported content, field applications, and Metaverse-based training, we bring our employees together with next-generation technologies from day one.



Through our B2Feel program, our new colleagues build a stronger connection with our products by experiencing the driving and braking tests of TEMSA buses firsthand.



With our İKahve event, we provide a warm setting to meet with our Human Resources team, answer employees’ questions directly, and reinforce trust and open communication during the adaptation process.

We deliver the specially designed Museum Bus Experience so that all TEMSA employees can get to know the company’s long-standing history, the product development process, and the brand’s journey to the present day. This experience offers an interactive and inspiring view of TEMSA’s history and supports employees in building an emotional bond with the company.

We believe every new beginning at TEMSA should be supported by an inclusive culture. With this understanding, we have integrated Diversity, Equity, and Inclusion and Sustainability training into our OnWays digital orientation process. Our goal is for new employees to align with TEMSA’s values, areas of responsibility, and inclusive corporate culture with a holistic perspective.

We carry our commitment to protecting human rights across our entire value chain and work in collaboration with our stakeholders. Across our stakeholder ecosystem, from suppliers to customers, we develop responsible products and services and contribute to the protection of human rights through training and practices. At TEMSA, our leaders provide the strongest support for our human-oriented vision and the innovative approaches we build on it.

TEMSA HUMAN AND ORGANIZATION APPROACH

As an outcome of our leaders’ innovative and empowering approach, we were honored in 2024, just as in 2022 and 2023, with the Fast Company “Most Innovative 50 HR Leaders” award for the third consecutive year. In 2024, we were also selected as the “Favorite Company of Young Talents” by YİNKADER and received the DataExpert & BM “50 Most Effective CHRO Award.”



At TEMSA, our Human Resources approach is a holistic system that puts people at the center, streamlines processes, increases decision speed, and diffuses leadership throughout the organization. From hiring to development, from mentoring to inclusion, we integrate every step with initiatives that support sustainable growth.

In 2024, our HR focus was to make a human-oriented working approach a corporate reflex that attracts and retains the right talent, adapts quickly to change and transformation, accelerates an agile and lean organizational structure, fuels purpose-driven high performance, and supports all teams regardless of hierarchy.

Our human-oriented, holistic HR approach, built around talent, agility, employee experience, culture, and leadership, effectively meets today’s needs while laying a strong foundation for tomorrow’s capabilities.

Accordingly, we strengthen our employer brand, expand career mobility and rotation opportunities, and deepen our network of partnerships with target universities. In organizational agility, we are moving to leaner structures company-wide and rolling out HR infrastructures that support faster decision-making and execution. This increases efficiency through clear accountabilities and simplified processes. We update our culture and leadership approach in line with our strategy.

By redefining the Sabancı and TEMSA Leadership Model, we develop our leadership bench, build strong teams, and systematize collaboration among leaders.

By involving experienced managers as mentors, we foster a lasting learning culture anchored in our institutional memory. To reinforce our human-oriented, we review our organization and HR processes through a diversity, equity, and inclusion lens and scale practices that improve the employee experience across the company.

TEMSA Human Resources 2024 Priorities

-  Attracting and retaining top talent
-  Establishing a fast, flexible, and agile organizational structure
-  Building a purpose-driven, high-performance culture & communication
-  Developing a leadership approach that is independent of hierarchy and empowers teams at every level
-  Strengthening our human focus for sustainable living

HUMAN RIGHTS PRACTICES



Responsibility Matrix

Responsibility Matrix is an organizational document that clarifies, from the outset, TEMSA employees’ duties and activities in the projects they are involved in by setting an appropriate definition of authority. This allows you to clearly track job descriptions and workflows through EBA. When the employee selects the responsibilities defined in EBA and the report is completed, the work is included in the TEMSA Responsibility Matrix.



Paid Social Leave

TEMSA employees are entitled to leave, for specified durations, in cases of marriage, a spouse’s childbirth, the death of immediate family members (spouse, child, mother, father, sibling) or the spouse’s parents, and relocation to another city. In addition, in the special cases defined below, TEMSA employees may use paid leave:

- Child’s marriage: 3 days
- Spouse’s childbirth: 5 days
- Loss of mother, father, spouse, sibling, or child: 7 days
- Loss of mother-in-law or father-in-law: 3 days
- Loss of a sibling’s child (niece/nephew): 2 day
- Employee’s own marriage: 3 days



Working Hours

Our working days and hours are Monday through Friday, five days a week.



Maternity and Parental Leave

Pregnant employees are entitled to a total of 16 weeks of statutory leave—8 weeks before birth and 8 weeks after (for multiple pregnancies, the prenatal period is 10 weeks). Pregnant employees inform Human Resources and the workplace physician. From the notification date, female employees work a maximum of 7.5 hours per day. Those who wish to transfer part of their prenatal leave to the postnatal period may work until the last 3 weeks before birth, provided a doctor’s report confirms there is no medical objection.

At TEMSA, regardless of legislation, paid maternity leave is at least 5 weeks, and paid paternity or parental leave is at least 5 days. Any restriction, pressure, or discouraging behavior regarding the use of these leaves is strictly unacceptable. We continue to accelerate our efforts in this area and aim to further expand leave options next year.



Travel Procedure

TEMSA employees must follow the relevant procedures and policies during domestic or international travel. Travel requests are created through EBA and become valid after the approval process is completed. TEMSA’s contracted travel agencies must be used for travel.



Absence

If TEMSA employees are unable to come to work for any reason, they should, if possible, inform their managers and Human Resources before working hours.



Sick Leave

TEMSA employees may use sick leave when supported by documentation. Sick leave is reported to Human Resources with a doctor’s note, and an entry is made in EBA.



Information Security Policy

TEMSA employees are required to comply with the rules defined under thev Information Security and Continuity Policy.



Confidentiality of Documents

TEMSA employees are responsible for protecting the confidentiality of documents provided to them and belonging to their departments.



Confidentiality of Employee Information

TEMSA employees’ personal information is safeguarded by Human Resources.



Confidentiality of Salary and Grade Information

TEMSA employees may not share their salary and grade information with anyone.



Termination of Employment Contract - Resignation

TEMSA employees who wish to terminate their employment must notify their managers and Human Resources.



Retirement


When TEMSA employees meet the requirements for retirement, they submit their retirement request to Human Resource.

COMPENSATION AND BENEFITS


At TEMSA, our approach to compensation and benefits is built on recognizing our employees’ contributions in a fair, transparent, and competitive way. Our pay policy, established with reference to industry standards, market conditions, and performance criteria, is grounded in the principle of equal pay for equal work.

We prioritize maintaining work-life balance in our workplace to protect employees’ health, safety, and productivity and to demonstrate our respect for them in concrete ways. As flexible and personalized benefits gain importance, we recognize that standard solutions do not meet every individual’s needs, and we focus on developing diversified practices that fit different workforce needs, expectations, and ways of working. We create a dynamic support system that adapts to employees’ changing needs throughout their career journey.


At TEMSA, our compensation and benefits approach are designed to meet today’s needs while safeguarding the workforce of the future. The system we have built integrates global trends, market data, next-generation practices, and employee expectations. Clearly defined levels for each role and market-based pay ranges preserve organizational balance while increasing our competitiveness. When determining pay increases, we consider market pay for roles, inflation, and performance criteria. Each January, we review and calibrate our pay policy through a holistic assessment considering market movements, economic indicators, and individual performance criteria. In this framework, we also provide benefits such as private health insurance, life insurance, and individual pension plans based on employees’ levels, reflecting our commitment to securing our employees’ future.




Bonus
Short-Term Performance Bonus
Sales Bonus




Life Insurance and Individual Pension System (Agesa)



Private Health Insurance (AKSİGORTA)



Education Support Package Every September



Meals and Shuttle Service

TEMSAĞLIK (TEMSA Health)

With our TemSAĞLIK program, designed with the motto **"Sustainable, good life!"**, we support a balanced and strong future.





Social Clubs

- Music Club
- Basketball Club
- Table Tennis Club
- Istanbul Social Events and Sports Club
- Soccer Club
- Running Club
- Water Sports Club
- Tennis Club
- Cycling Club
- Backgammon Club
- Esports Club
- Chess Club
- TEMSA Art and Philosophy Club
- Volleyball Club



Employee Support Program

- Online Psychologist Support
- Physical Therapist Support
- Access to a Child Development Specialist
- Lactation Consultant
- Family Counseling
- Veterinarian
- Legal Counseling
- 24/7 Medical Advisory Service
- Dietitian Counseling



T-Well Webinar Series

The T-Well webinar series, launched with the motto **"Good for the Soul,"** is organized with inspiring content to support employee motivation and well-being. In 2024, sessions with expert speakers on topics such as heart health, stress management, ergonomics, and finance helped employees maintain balance and productivity in their work and personal lives.





TEMSA SUSTAINABILITY REPORT - 2024

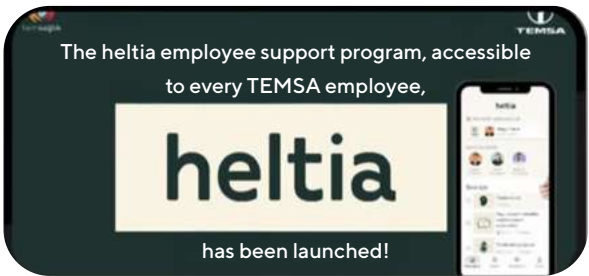
104

EMPLOYEE WELL-BEING

As TEMSA, we prioritize providing a work environment that preserves work-life balance, promotes psychological safety, and supports a sense of belonging. Through our inclusive policies, flexible work models, and development and learning opportunities, we build a system that anticipates current needs as well as potential future challenges.

As TEMSA, we see our most valuable asset as the mental, emotional, and physical well-being of our workforce. Employee well-being is a critical factor for the sustainability of our culture and high performance. Healthy, motivated colleagues with a strong sense of meaning increase our productivity every day with innovative ideas, strong collaboration, and problem-solving skills.

At TEMSA, we embrace a work culture that supports open communication and collaboration.



In 2024, we reached approximately 1,200 employees through 4 Town Hall meetings. We also hold monthly briefing meetings for senior leadership, managers, and department heads (TMC, TLT) to provide regular updates on company strategy, business results, and priority topics.

At TEMSA, supporting our employees’ mental and psychological health is one of our corporate priorities. In 2024, we partnered with the Heltia app to enable employees to receive professional support on stress management, emotional resilience, motivation, and overall life balance. Through individual counseling provided under strict confidentiality, content that supports psychological well-being and raises awareness, and services such as dietitians and physical therapists, we continue to help our employees be healthier, more balanced, and more productive at work and in their personal lives. Within the program, lactation consultant and psychologist support address the physical, emotional, and psychological needs of our new-parent employees in the postpartum period with a holistic approach, helping them experience a healthy recovery and adaptation. In our next steps, we will continue to advance innovative and inclusive practices that enhance the well-being of TEMSA employees.

At TEMSA, we consider supporting the mental and psychological well-being of our employees as one of our corporate priorities.

Employee Well-Being

We care about our employees’ work-life balance. To help protect it, we make use of hybrid work models. With this approach, which we have made part of our culture, we continue to develop practices that support well-being and reinforce trust. From their first day, our blue-collar employees work in a free environment where they can exercise their union rights, and we encourage them to contribute actively to our processes with their views and suggestions.

First Day of School and Report Card Leave

AS TEMSA, we offer special leave so our employees can share important milestones in their children’s lives. On meaningful dates in a child’s education journey, such as the first day of school and report card day, we grant administrative leave so parents can be there.

Birthday Leave

To make special days meaningful and support work-life balance, we grant paid leave on employees’ birthdays. Within this scope, TEMSA employees may take their leave on any day in their birthday month. This practice is one of our key steps to increase employee satisfaction and strengthen the sense of belonging within the company.

Parental Support

At TEMSA, we value being there for our employees at important moments. As part of our employee well-being approach, we apply inclusive leave policies during birth and parenting processes. This approach covers all employees regardless of gender, marital status, or family responsibilities, helping protect work-life balance. As part of our long-term support mechanisms for sustaining well-being, we offer mentoring, return-to-work adaptation programs, health services, and additional leave options for employees who have children with special needs.

Military Package

For employees who fulfill their military service, we provide a military package consisting of essential supplies and, upon their return, we support adaptation and motivation to ease their reintegration at work. In 2024, 15 employees benefited from our Military Package practice.

Fun Factory

With the Fun Factory program we launched in 2022, we increase cross-department communication and employee engagement. This gamification-based program supports learning and collaboration, and through our iKahve events employees connect directly with the HR team, reinforcing a climate of trust.

EMPLOYEE EXPERIENCE INITIATIVES

Hybrid Work Program

TEMSA adopts a hybrid work model that brings together flexibility and productivity in response to changing work dynamics. This approach enables our employees to interact with their teams in the office while managing their personal time more effectively when working remotely. Our hybrid model is designed to improve the employee experience. Teams plan flexible workdays based on business needs, while maintaining strong communication and collaboration to achieve shared goals. With this approach, both productivity and work-life balance are supported. We allow our employees to shape their own work arrangements, supporting TEMSA's flexible, contemporary culture and offering a freer work environment.



TEMSA CAMPUS

With TEMSA Campus, we renewed our intranet and centralized information in a single, reliable hub. Thanks to the mobile-friendly infrastructure, employees in Türkiye and at overseas offices can access up-to-date content instantly. The user-friendly interface and social components, such as the T-ERO recognition/thank-you module, newcomer welcomes, and birthday celebrations, keep team interaction vibrant. The platform makes internal communication continuous, simplifies processes, and offers an inclusive and sustainable experience.



Employee Experience Surveys

At TEMSA, to closely track our employees' integration into our culture and work environment and to support them when needed, we automatically send employee experience surveys in their 2nd and 5th months. These surveys provide a 360-degree assessment, allowing us to follow new colleagues' adaptation, expectations, and satisfaction with objective data. Insights gathered from employees and managers are analyzed in detail and turned into concrete actions. For mid-level and lower responses, we hold one-on-one meetings to examine root causes in depth. We report the findings to the Board of Directors to ensure top-level oversight and timely actions. As a result of these efforts, our month-2 satisfaction rate is 91%, our month-5 satisfaction rate is 95%, and our manager evaluation rate is 91%. We share these high rates transparently and aim to maintain and further improve them.



Exit Surveys

At TEMSA, as part of the offboarding process, we send an exit survey to departing employees. We also conduct one-on-one interviews to ensure the process is run in line with transparency and open communication. Survey data are shared with senior management each quarter, and improvement steps are taken in line with this feedback. As part of our data-driven approach to continuously improving the employee experience, we keep refining our practices.



EMPLOYEE DEVELOPMENT, ENGAGEMENT, AND COMMUNICATION

At TEMSA, we believe that gaining a competitive edge in the future of work depends not only on investing in technology, but also on developing practices that can maximize people’s potential. We design creative environments where our employees can develop new ideas, and we aim to provide a workplace where they can gain the competencies needed to bring those ideas to life and support their professional journey.

Taking changing industry dynamics and global trends into account, we provide a flexible, agile work environment with a strong culture of collaboration that fosters creativity.

Our core goal at TEMSA is to offer a workplace where every employee feels valued and can safely realize their full potential.

Aware that being ready for the future today is only possible with a skilled and well-equipped workforce, we always prioritize transparent, sincere, and open communication across the organization. According to OECD data, roughly one fifth of the workforce is employed in sustainability-oriented occupations. These roles deliver environmental and social benefits while creating new, high-skill career opportunities. At TEMSA, we enable our employees to build sustainability-focused capabilities.

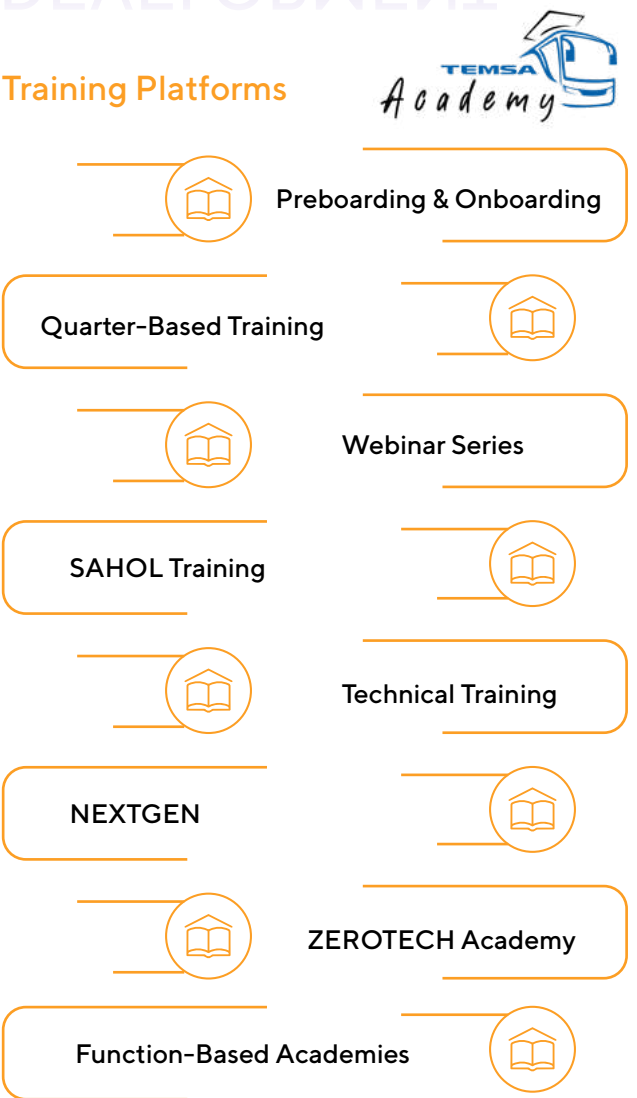
Our development programs support employees’ current role needs while also responding to the expectations of the future of work. We closely track developments and change in our fields of activity and industry, and we define capability sets that will strengthen our competitiveness and create value on a global scale. We are transforming our work environment into one that adapts quickly to innovation, supports an entrepreneurial spirit, empowers bold steps, and centers collaboration. Together with our employees, we also design programs that support the participation of young people, women, and disadvantaged groups in employment and expand access to education and development opportunities, with a focus on reaching different segments of society.

In line with this approach, across our locations in Türkiye, France, the United States, and Germany, we manage all Human Resources, Information Technology, Sustainability, and Process Management processes to the same standards, and we view this holistic, integrated approach as an important part of employee engagement in an organization that operates across diverse cultures.

There is a global talent shortage, felt particularly in science, technology, engineering, and mathematics (STEM). In this context, we develop the capabilities our employees need to succeed in the workplaces of the future and strengthen our talent pipeline.

We view development as a continuous journey. For this reason, we systematically evaluate employee feedback. Each month, through the TEMSA Journey Experience Survey, we measure satisfaction levels across the employee lifecycle, from recruitment to day-to-day work, for everyone from new joiners to long-tenured colleagues. We also closely track satisfaction with all the support we provide, from internal IT services to transportation options, and we rapidly implement improvement actions based on the insights we gain.

TRAINING AND DEVELOPMENT



TRAINING AND DEVELOPMENT

At TEMSA, we build a work culture that brings together diverse talents, where everyone can develop on equal terms and realize their potential. We aim to create an environment that is open to innovation, inclusive, and inspiring, where every employee is supported throughout their career journey. For us, development gains value when we move together. With this understanding, we offer continuous learning and development opportunities that enrich our employees’ capabilities. Our goal is to shape the TEMSA of the future today by creating a highly motivated, creative, and results-oriented work ecosystem.

Beyond technical knowledge, we value the dynamic nature of our corporate culture and train in-house instructors to carry TEMSA’s values into the future. We design our development programs in alignment with our strategic roadmap and shape them, based on needs analyses and measurement results, across leadership, operational excellence, competencies, technical knowledge, and personal development.

276 Craftsperson Certificates

248 Mastership Certificates

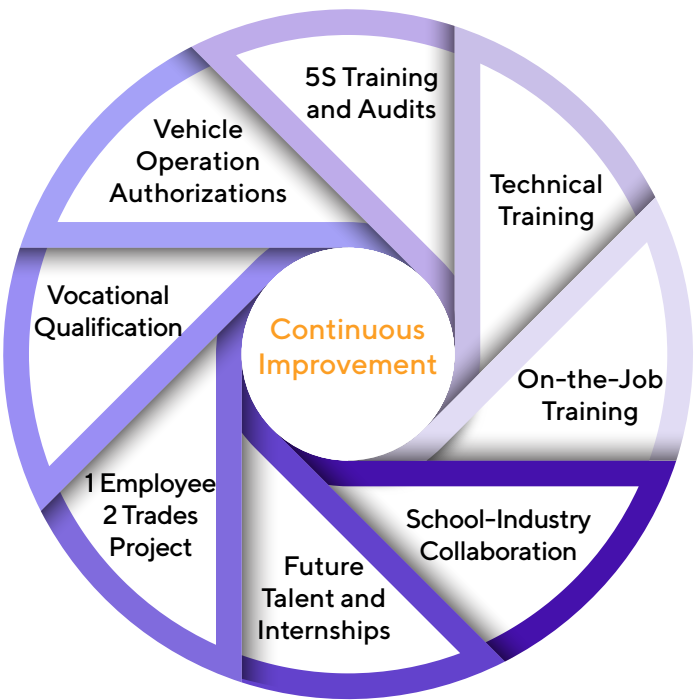
10 Master Trainee Certificate

Centering employee development, we design learning and development programs that address different needs.

In this scope, we implement initiatives such as the NEXTGEN MBA Leadership Academy, the ZEROTECH Academy focused on electric and next-generation vehicle technologies, Function-Based Academies tailored to business units, quarterly training, inspiring webinar series, and the digitized OnWays Orientation process. We also deliver interactive learning experiences through the Metaverse-based OnWays Meta and ensure equal access to information and development opportunities for all TEMSA employees via the TEMSA Academy Digital Learning Platform. We run our sustainability-themed trainings on the OnWays Meta platform as well, thereby spreading sustainability awareness more strongly and permanently across the organization and continuing our efforts to embed it into our culture. We carry all these efforts forward with the vision of spreading a culture of continuous learning.

To develop the knowledge and skills of our blue-collar employees, we run comprehensive programs ranging from technical training to vocational certifications and 5S practices, supporting both individual and organizational performance.

For new hires, we offer 10 days of theoretical and practical training under the İŞKUR On-the-Job Training Program to support their integration. As a key part of our development process, we prioritize the presence and growth of next-generation competencies within TEMSA. In this context, we aim to continuously expand our internship opportunities and continue to support this process through academia-industry collaborations.



In 2024, we provided a total of **46,958** hours of training and allocated **1,490** hours to sustainability and environment topics.

We provide vocational and technical training to support our employees’ career development and regularly track their Vocational Qualifications. Through the “1 Employee, 2 Trades” project, we enable them to obtain a second qualification certificate, and we run Mastership Training in collaboration with Çukurova University.

TEMSA Train-X Internal Training Program

Through TEMSA Academy, we run programs on technical knowledge, digital skills, leadership, diversity, and inclusion to support our employees’ development. In 2024, under Train-X, 33 internal trainers delivered 1,992 hours of training on topics such as Design Thinking, Problem-Solving Techniques, and Professionalism. In a business environment where digital transformation and innovation are accelerating, we develop our employees’ capabilities and foster a flexible, balanced work culture with the hybrid work model.



TRAINING AND DEVELOPMENT

Future Talent Is in Our DNA: NEXT-GEN MBA Academy

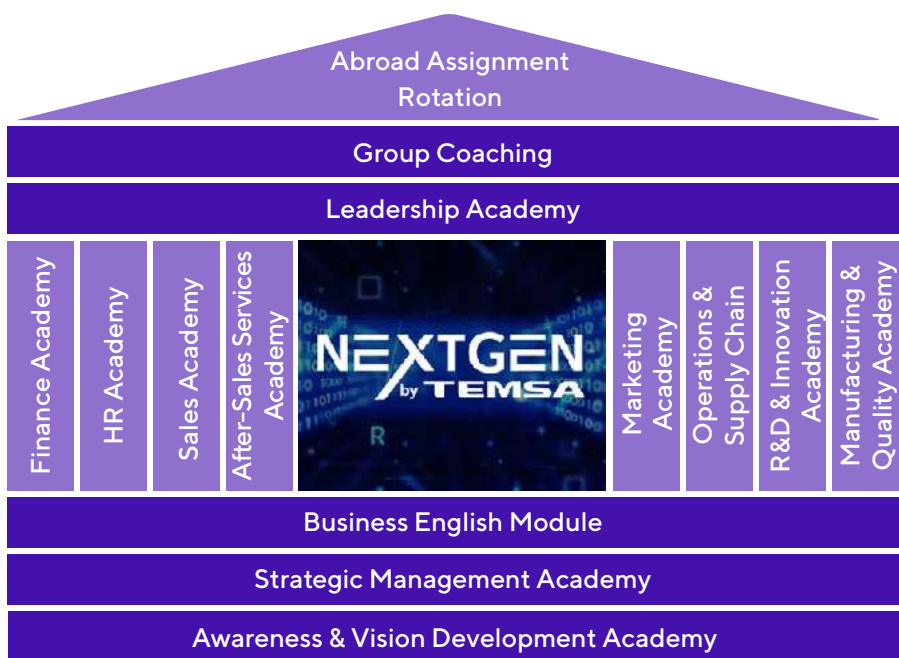
“Future Talent Is in Our DNA.” Launched with this motto, the TEMSA NextGen MBA Program was specially designed, in alignment with Sabancı Holding’s HR strategy and TEMSA’s strategy wheel, for professionals at TEMSA who already hold managerial responsibilities or are candidates for such roles, with the goal of developing the leaders of the future. The program aims to unlock the leadership potential embedded in TEMSA employees’ DNA and to cultivate visionary leaders who are ready for change in this era of transformation.

The program focuses on developing critical leadership skills such as team management, strategic decision-making, communication, and motivation. Its core objectives include supporting a qualified workforce, improving the employee experience, increasing internal promotion rates, and strengthening talent retention.

Monitored systematically through 360-degree assessments, feedback, and development plans, the process is supported by the Leadership and Strategic Management Academies, functional training, rotations, coaching, and webinars to develop transformation-oriented leaders of the future.

Key Features of NextGen MBA:

- Through **the Leadership Module**, participants gain the capabilities to lead themselves, their teams, and their work effectively with next-generation leadership practices.
- Through **the Function Academies**, participants enhance technical competencies specific to their functions and pursue operational excellence.
- Through **the Rotation Experience**, international rotation opportunities help participants gain a global perspective.
- Through **Inspiration Webinars and Coaching Sessions**, participants build awareness and develop an inspired, visionary mindset.



In 2024, the seventh module of the NextGen MBA program, “Technology and IT for Managers,” was delivered at MEXT, one of the largest technology and innovation centers in Türkiye and Europe, with a focus on integrating technological developments into strategic management processes. MEXT’s inspiring atmosphere, combined with the module content, offered managers a transformative learning experience. During the reporting period, across 11 topics and 25 business days, we delivered a total of 3,460 hours of training under the NextGen MBA program. We also established eight Function Academies in R&D and Technology, Finance, Human Resources, Sales, Procurement, Manufacturing and Quality, Logistics and Supply Chain Management, and After-Sales Services. In the 2023 to 2024 period, through these academies we provided 8,610 hours of training across 48 topics to 205 employees. Participants also completed 840 hours of training across six technical subjects within the Function Academies, further advancing their expertise.

In 2024, the NextGen MBA program recorded a **96% satisfaction rate**.

Building on this strong result and to further improve the program, we collected feedback from participants’ managers and teams to measure its behavioral impact and contribution to leadership. According to the findings, 91% of managers and 90% of team members stated that the NextGen MBA provided meaningful benefits to participants.

With the NextGen MBA program, we achieved notable success in leading HR awards in 2024. We received two awards in the Stevie Awards for Great Employers, and **we won in the “İşimizin Yarını”** category at the TISK Ortak Yarınlar Awards.

2 Awards
from The Stevie Awards
Great Employers &
International Business Awards
for the NextGen MBA Program

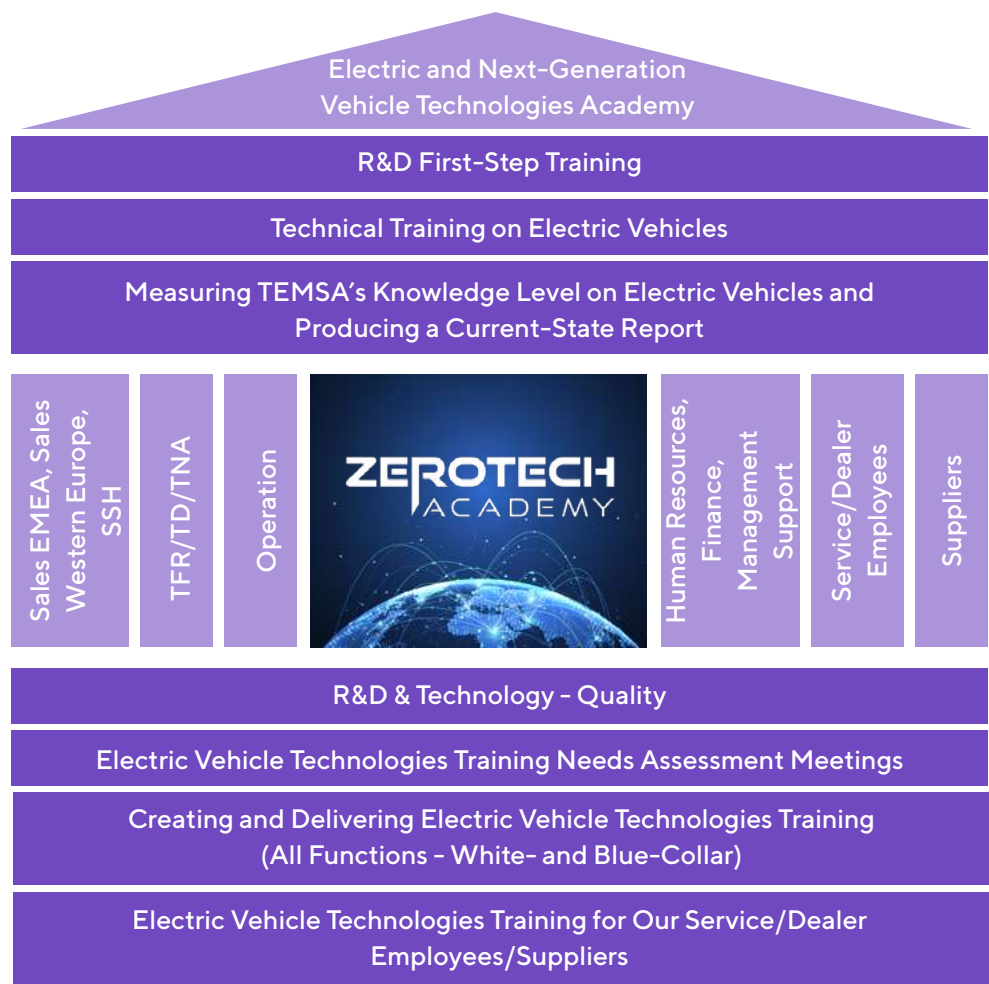
NEXTGEN
by TEMSA

Achievement in Leadership Development

Career and Workforce Readiness Solution

TRAINING AND DEVELOPMENT

ZEROTECH Academy



With ZeroTech Academy, we aim to advance our leadership in electric and next-generation vehicle technologies. As a first-of-its-kind program in Türkiye and Europe, it develops our employees’ knowledge and competencies and increases efficiency and quality in our business processes. Structured based on needs analyses conducted with our function managers, the academy first delivered a training at our R&D center titled “How to Conduct Research and How to Use the Tools.” We then measured the knowledge level and prepared a current-state report to identify our strengths and areas for development.

Through ZeroTech Academy, 382 employees participated in a total of 766 hours of training. Final tests at the end of ZeroTech Academy showed an 18 percent increase in knowledge compared with the pre-test. In 2024, within ZeroTech Academy, we assessed existing knowledge levels on electric and next-generation vehicle technologies and conducted a needs analysis. In line with this analysis, we organized a core training program with the participation of 350 employees to prepare for technological transformation.

We expanded the ZeroTech Academy core trainings for use by our overseas subsidiaries and rolled them out globally. In this context, the core training has been completed at TEMSA Germany and TEMSA France. By enabling our service centers, dealers, and suppliers to access these materials, we aim to establish a common knowledge standard across the entire TEMSA ecosystem.

To ensure the continuity of the project, we leverage next generation learning technologies and contribute to digitalization processes. In the next phase, we aim to digitize the ZeroTech Academy Core Training content and integrate it into the orientation program.

GROWFORWARD Program



The GROWFORWARD Program is specially designed for colleagues at TEMSA who are promoted to manager or director roles or hired into these positions. The program aims to offer a multifaceted development journey at the first steps of leadership through mentoring, professional coaching, and comprehensive training. Its core objective is for participants to develop leadership capabilities aligned with the values of Sabancı Group and TEMSA and integrated with global standards. The program also contributes directly to TEMSA’s strategic priorities of digitalization and people focus. Through the digital mentoring platform used in this scope, mentoring and coaching sessions are conducted systematically and sustainably.

The program contributes to TEMSA’s cultural transformation journey while supporting intergenerational communication. By involving our experienced leaders as mentors, we carry knowledge and experience into a culture of sharing and enable the dissemination and development of TEMSA’s leadership culture. In this process, we also support TEMSA employees’ self-awareness and development, delivering a holistic transformation and creating an impact area that prioritizes social benefit.

In the GROWFORWARD program survey, we achieved a **96% satisfaction rate**, and we are focused on maintaining this success.

TALENT MANAGEMENT

At every stage of the career journey, we take our employees’ needs into account and build a comprehensive career ecosystem based on equal opportunity, transparency, and continuous development.



We adopt a holistic talent management approach to align our employees’ full potential with our strategic goals. Through programs such as the NextGen MBA Leadership Academy, ZeroTech Academy, Function Academies, and Growforward, we offer comprehensive development opportunities spanning leadership, technical skills, innovation, and operational excellence. To keep the learning experience vibrant, we use inspiring webinars, quarterly programs, and the TEMSA Academy platform, which provides web and mobile access.

With OnWays Meta, we offer Metaverse-based interactive learning experiences that accelerate technological adaptation and bring different teams together in a shared learning space.

In candidate evaluations, we focus solely on competencies and areas of expertise; we do not use personal characteristics such as gender, age, ethnicity, belief, nationality, disability status, or marital status as evaluation criteria at any stage.

We design programs to develop a workforce aligned with future business models, attract next-generation talent, and integrate digitalization into job descriptions, and we provide alternative career paths such as People Leadership and Business Leadership. We support this approach with one-on-one career guidance through the ROAD Project, transparent internal application processes on the TEMPO platform, and mentoring delivered under the Growforward program.

New managers make a stronger start in their roles by developing leadership and team management skills through an eight-session structured mentoring process.

To increase transparency in performance management, we use the PERFX system, providing real-time access to employees’ goals and progress. Through annual one-on-one career conversations, we assess expectations and development areas and create concrete action plans.



With agile teams and assessment processes, we develop the technical and leadership skills of our high-potential employees and prepare them for managerial and senior roles. In this way, we both support our employees’ career journeys and ensure an agile and sustainable organizational structure at TEMSA.

We base our recruitment approach on a system of fully objective and inclusive criteria. To make our hiring processes more inclusive, we removed the gender field from digital application forms. We leave the option to upload a photo entirely to the candidate’s discretion. Gender-related conditions such as pregnancy or military service are also excluded from our selection, assessment, and evaluation processes. By running a hiring process in which every candidate is evaluated on equal terms, grounded in ethical principles and inclusivity, we aim to build a work culture where different perspectives can exist safely.

Expanded Competency Model

The expanded competency model clarifies role-specific competencies within a corporate framework and creates a standardized role and competency matrix. The pilot study will be completed with the R&D function by year-end. With this framework, all employees’ technical and behavioral competency sets become visible in the system; strengths, development areas, and gaps to target levels are identified, and individual development plans are created. Progress is tracked transparently through regular updates, and development management is carried out with a common language and data-driven decisions. We will continue to enhance our next-generation practices in 2025 to make individual development visible and trackable and to base decision-making on data.

TALENT MANAGEMENT



TEMPO

One of our top priorities at TEMSA is that employees define their own career paths. At the center of this approach is our TemPO (TEMSA Possibilities) program. Through the eBa internal postings platform, which accelerates internal mobility and creates a transparent, accessible opportunity network, all open positions are presented to employees under one roof. TEMSA employees can apply directly to roles that match their expertise and interests and expand their competency sets by gaining experience in different teams. Our Internal Postings Bulletin is updated every Tuesday and Friday, and new opportunities are published. TemPO enables potential to be discovered, experiences to diversify, and career momentum to increase in a sustainable way within TEMSA.



TEMSA Academy Online Learning Platform

We digitized our learning infrastructure and launched the TEMSA Academy Online Learning Platform. With content we continuously update for organizational and individual needs, we ensure that our employees, service teams, dealers, and subsidiaries have equal, accessible, and consistent access to training. While consolidating all training processes on a single platform, we track participation and progress and make development decisions based on data.

Drawing on our digitalization capability, in 2024 we conducted usage inventories and vision workshops under the AI Academy and held an AI awareness webinar. These efforts brought together teams from different disciplines. In this process, we addressed projects to integrate artificial intelligence into business processes and helped build a shared vision across the organization.

Development Programs:

With long-term, multi-stakeholder projects, we connect our employees with real business practice and develop 21st-century skills, innovation, creativity, problem solving, and teamwork, in a hands-on way. Interaction with other companies accelerates knowledge sharing while reinforcing TEMSA’s development culture. Through our Operational Excellence programs, we expand impact in current roles and increase efficiency and institutional know-how. We shape our development investments with data from ILS, OCS, and KF 360 assessments.

Online Training:

With next-generation technologies, we redesigned our learning and development approach in the digital space. Through MESS Online Training, we combined many universities’ online resources to create a modular, up-to-date learning ecosystem with 24/7 access. We are pleased to add concrete value to our employees’ careers as they build new skills, and we continue to sustain a flexible, resilient, knowledge-sharing learning-organization culture.



TEMSA Academy turns continuous development into a digital experience, building an inclusive, scalable, and sustainable learning culture.

In upcoming periods, with captioning and voice-over features to be implemented, we aim to significantly increase the accessibility of our academy content, and we are continuing the necessary technical work. We care about offering an accessible learning experience that addresses different learning styles and needs. We encourage all TEMSA employees to acquire globally relevant competencies, access information under any circumstances, and embrace a culture of continuous development.

TALENT MANAGEMENT

FUTURE TALENTS

With this program, we give young people an insider view of the industry, enable them to contribute new-generation ideas to our processes, and help them develop competencies through on-the-job learning. We offer both short-term (two-month summer) and long-term internship options, allowing participants to take part in projects, experience department operations, and access regular development opportunities. We also meet with Çukurova University Automotive Engineering students within their course schedules to share practical insights about the business world. Vocational high school students gain experience at TEMSA three business days per week as determined by their schools.

The program’s diversity brings young people together with industry standards and, for TEMSA, creates a strategic talent pipeline that shapes future teams today.

Within the Future Talent Program in 2024, a total of 108 students interned at TEMSA, 72 in the spring term and 36 in the fall term.



SAHOL DEVELOPMENT PROGRAMS



X-CELERATE

This is a development program that accelerates the development of top executives in line with the New Generation Sabancı vision, within the framework of strategy, culture, values, and the Sabancı Leadership Model.



X-POSURE

A training program to develop the leadership potential of mid-level managers in the Sabancı Group.



I-LEAD

A training program to enhance the professional and leadership development of high-potential technical managers and engineers in the Industry, Building Materials, and Energy Group companies, and to foster knowledge and experience sharing among them.



X-TEAMS

A collaboration process where teams work with agile principles on strategic business development projects that address the transformation goals of the Sabancı Group in line with the 2021-2025 strategic plan.



X-5

A training program designed to create sustainable human capital in digitalization, supporting the “Leadership in Digitalization” pillar of the X-5 strategic plan.



X-LAB 2021

A training program that supports capabilities to change the way we work with courage and that advances the “Innovation” dimension of the 2021-2025 strategic plan.

TALENT MANAGEMENT

T-BUDDY

T-BUDDY is a program designed to enhance the adaptation and onboarding experience of new hires. Through the program, each new TEMSA employee is paired with an experienced colleague, ensuring a fast and safe transition to cultural norms, workflows, and the work environment.

The program not only accelerates onboarding but also expands collaboration networks within TEMSA, increases cross-department interaction, and systematizes knowledge transfer. While mentors develop coaching and communication skills, new joiners quickly discover the company’s physical and social resources. T-BUDDY supports engagement, learning, and a culture of creating value together. Our hiring and onboarding satisfaction score is 4.5 out of 5. With our human-oriented approach, we continue working to make this success lasting and to take it further.



AGILE OFFICE



At TEMSA, to scale an agile working culture across the company, strengthen employee capabilities, and raise our levels of innovation and efficiency, we added agile specialization support and recognition to our Developers Program. As of 2024, 372 employees have completed agility-focused training. In addition, 242 employees are working with agile methodologies.

Alongside trainings held at our Adana and Istanbul offices, we organized an event in collaboration with Çağ University to present our Agile Office initiatives. With all trainings and events combined, we reached 242 participants. Through Agile Assessment Surveys, our regularly published Agile Bulletin, and interactive events, we continuously review the development process and ensure employee participation and adoption.



TEMSA TALENT STATION

We launched the TEMSA Talent Station program to support an intergenerational learning culture and increase the participation of young talent in the TEMSA ecosystem. Open to senior undergraduates and graduate students, this three-month program offers project experience in interdisciplinary teams, data-driven solution development, and opportunities to share outcomes.

Through regular sessions with our senior leaders, participants benefit from knowledge and experience transfer while getting to know TEMSA’s values and collaboration culture up close. In this way, they both put their capabilities into practice and help build a strong talent pipeline for TEMSA. In 2024, a total of 67 people joined the Talent Station program, and during hiring 60% began working full-time or part-time across various departments.



TALENT MANAGEMENT

CULTURE AMBASSADORS

At TEMSA, cultural transformation is an integrated learning and design process that permanently improves how our people think, decide, and collaborate, aligned with next-generation approaches. Throughout this journey, powered by our corporate values, we focus on reframing rewarded behaviors and turning mistakes into learning. By publishing the TEMSA Agile Manifesto, we share our communication approach, ways of working, and the value we deliver to customers within TEMSA's culture.

We believe a healthy cultural transformation must rest on three pillars: human dignity, planetary health, and stakeholder value. We place psychological safety and agile practices at the center of our culture at TEMSA.

“Grow with change, be shaped by transformation. Keep getting stronger with an agile culture!”

Guided by this motto, in 2024 our Culture Ambassadors team carried out a comprehensive plan to make the agile working culture visible, understandable, and widely adopted across the company.

All year, we accelerated brand-readiness efforts for agile transformation so everyone could speak the same language in cultural change. We focused on measuring TEMSA's agile awareness and maturity, advanced our internal communication efforts and gamification-based rollout, created brand elements to establish recognition of the agile approach, designed communication content to increase employee participation, and built gamified applications that encourage agile behaviors.

In 2024, as Culture Ambassadors, we advanced our work to move agile transformation beyond a project and turn it into a living corporate practice with clear language, visible applications, and measurable behavioral indicators.



PERFORMANCE MANAGEMENT

At TEMSA, we design performance management⁹ as a fair and transparent system that enables continuous improvement. Our aim is to make every employee's strength and development areas visible, implement actions suited to these areas, and build a common language of performance. We keep our processes clear and understandable and treat everyone equally. The PERFX Performance Management System we use rests on three core steps. Goals are set at the start of the year, performance is tracked throughout the year, and evaluations are conducted at year end. At the beginning of the year, our white-collar employees enter their individual goals, aligned with company strategy, into the platform. During the year, we track progress through one-to-one conversations and, with our flexible and dynamic system, update goals when needed. Based on the outcomes of our performance evaluation system, we provide promotion and career development opportunities to high performers and support progress with a range of training and development activities.

With our performance evaluation system, we turn our feedback culture into concrete behaviors. We value active feedback during evaluations and monitor employees' views by sharing three experience surveys about the process.

To spread a culture of continuous improvement, we actively use the TEMSA Performance Culture space on our internal communication platform, Campus, and share regular updates. This approach broadens alignment around shared goals, creates opportunities for professional growth, and strengthens talent management by preparing our employees for higher-level roles.

ROAD

TEMSA ROAD, kariyer gelişimi, performans yönetimi, öğrenme ve ödüllendirme süreçlerini tek bir ekosistemde birleştiren bütünlük bir yetenek yönetimi platformudur. ROAD platformu aracılığıyla yürütülen kariyer görüşmeleriyle çalışanlar, hedeflerini, güçlü yanlarını ve gelişim ihtiyaçlarını netleştirir, elde ettiği çıktıları kişisel gelişim planlarına dönüştürür. Bu kapsamda, uzman mühendislerle senede bir, yöneticilerle bir buçuk yılda bir, müdürlerle iki yılda bir kariyer görüşmelerimizi gerçekleştiriyoruz. Bu görüşmelerden üretilen içgörüler, yetenek havuzu ve yedekleme planlarına veri sağlar. Kritik roller için sürekliliği güvence altına alırken, çalışanların beklentileriyle kurumun ihtiyaçlarını aynı çerçevede hizalar.

⁹ Our performance evaluation process covers all white-collar employees at our Adana location (100%).



PERFORMANCE MANAGEMENT

OnWays

OnWays is a concrete reflection of TEMSA’s strategy to prepare for the future of work, bringing hiring and onboarding flows together in a single digital experience. Our goal is to provide every TEMSA employee with an equal, accessible, and customizable start, increase adaptation speed, and support the employee experience with data. Enriched with AI-powered content and metaverse-based interactions, the structure builds belonging and clarity from day one. The process deepens with a one-week intensive orientation in the OnWays Room. During this period, new joiners complete core steps from group and company briefings to function presentations, and from the digital HR guide to LMS access, all in one place. T-Buddy matching, the İKahve event, a site tour, and the B2Feel driving test experience help them quickly internalize our culture and product knowledge.

In OnWays, participants enter a three-dimensional workspace with their own avatars. Orientation conversations, team meetings, and live presentations run in real time. Selected modules are designed in the metaverse; with breakout rooms and interactive whiteboards, learning turns into active participation. New TEMSA colleagues experience the culture first-hand and, thanks to next generation learning technologies, enjoy an accessible, immersive digital orientation regardless of location or device. In addition, as part of our improvement efforts, we redesigned the orientation journey end to end through the Harmonise process to enhance the employee experience. Alongside technology-focused advances, we actively use gamification and, at entry, introduce the factory and departments to new joiners through an orienteering-style orientation.

New TEMSA employees are making a unique start with the OnWays Digital Orientation program!



ON WAYS – DIGITAL ORIENTATION PROCESS

1. Preboarding

- T-Buddy
- First-Day Transportation by Company Vehicle
- Welcome Kit and Chocolate
- TEMSA Academy – LMS Enrollment

2. Core Orientation Plan (For All Employees)

- Holding Introduction
- TEMSA – PPF Introduction
- TEMSA Applications Training (IT)
- Occupational Health and Safety Training
- Legal/Ethics Training
- Compliance Training
- Sustainability Training
- ISO 27001 Information Technology Security Training / Undertaking / Policies and Procedures
- Workplace Equality Training
- TEMSA Products Technical Training
- Corporate Communications Social Media

3. Process-Based Orientation

4. Function / Process – Based Orientation

5. B2feel Activity

The Metaverse experience awaits you at TEMSA OnWays!



PERFORMANCE MANAGEMENT

TEMSA STAR AWARDS

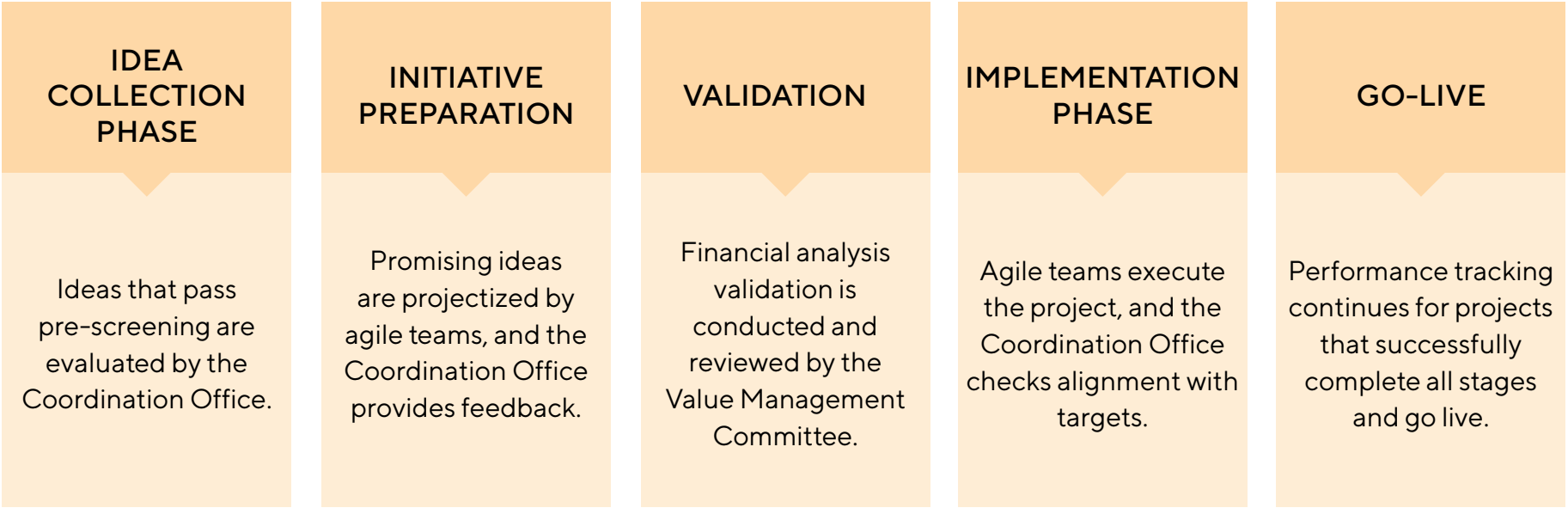


PERFORMANCE MANAGEMENT

DREAMERS

Dreamers is a value-creation platform that turns employees’ ideas into innovation, encourages teamwork, and supports the impact of projects implemented with agile methods through recognition and visibility. As part of our Agile Transformation, TEMSA Dreamers has enabled 10 projects to be implemented and collected a total of 44 valuable idea submissions to date.

At the end of a project, **51%** of the one-year realized gain is distributed equally among the employees who worked on the project.



So far, **10** projects have been brought to life, and a total of **44** valuable ideas have been submitted.



PERFORMANCE MANAGEMENT

DEVELOPERS

Developers is an integrated incentive program at TEMSA that supports employees’ research and development culture and deepens their professional expertise.

Employees benefit from financial support and leave opportunities across a wide range—from graduate education and foreign languages to article/project participation and patent/utility model processes. By encouraging academic progress and innovative production, we continue our efforts and support our employees while strengthening our innovation culture. In 2024, 43 people benefited from our foreign language support practices, and a total of 553 people received education support packages. In addition, initial graduate education support was provided to 2 people, 5 invention disclosure certifications were issued, 10 invention disclosures were accepted, and 1 article incentive was granted.

As part of our 2024 efforts, we launched a professional specialization certification program for employees serving in Scrum Master and Product Owner roles in agile teams, under Specialization in Agility Support and the Specialization in Agility Award.



By encouraging our employees’ academic development and innovative ideas, we are strengthening the culture of continuous learning and innovation at TEMSA.

PERFORMANCE MANAGEMENT

Performance Management System (PERFX)

PerfX is a fair and transparent performance management system that brings our company strategy and employee goals onto the same axis. With PerfX, we aim to build a holistic structure that makes strengths and development needs visible, increases individual contribution, and institutionalizes a high-performance culture.

PerfX outputs are also the core inputs to career and development flows. For high performers, we plan opportunities such as job enlargement, rotation, promotion, and responsibility in critical projects; to support potential, we launch personalized development plans and training programs. At TEMSA, performance turns into concrete steps of growth and advancement.







Mobile Application Feature



Continuous Open System



Adding/Revision of Goals Possible Year-Round with Approval Flows



Transparent and Interconnected Accounts



Dialogue Areas between Manager and Employee Focused on Goals



Instant and Continuous Structured Feedback Throughout the Year



Milestone Setting Linked to Goals

Performance at TEMSA becomes measurable improvement and forward progress.



EQUAL OPPORTUNITY, DIVERSITY AND INCLUSION

➤ Human Resources Equality, Diversity, and Inclusion Policy

At TEMSA, equality, diversity, and inclusion are the core principles of all our practices and approaches. No social identity, including language, race, gender, age, culture, disability status, political or religious beliefs, or sexual orientation, constitutes a barrier to working life, and we therefore adopt a zero-tolerance approach to all forms of discrimination. We design an environment where every TEMSA employee can be their authentic self, where psychological safety is protected, and where equal opportunity is upheld. We manage all processes, from hiring to performance, from development to promotion, according to the principles of equality and accessibility.

We view co-creation among diverse perspectives and creativity as essential to business continuity. Grounded in respect for human rights, we design a workplace where everyone can freely demonstrate their capabilities, built on respect and psychological safety. Equal access to opportunity, competency-based decision-making, inclusive language, and accessible processes are foundational components of our work environment. We follow this approach through the TEMSA Equality, Diversity, and Inclusion Policy. Our policy aligns with the United Nations Sustainable Development Goals 5 (Gender Equality), 8 (Decent Work and Economic Growth), and 10 (Reduced Inequalities).

Through concrete practices, such as fair hiring and pay, inclusive leadership development, awareness programs, and accessible working arrangements, we make this focus part of daily operations. While fostering innovation, we also build collaboration and organizational resilience. We track national and international developments and, in line with guidance from organizations including the World Economic Forum, we recognize that achieving full equality worldwide will take many years; accordingly, we strive to accelerate our efforts every passing day.

Equality at Work and Gender Equality

At TEMSA, gender equality is a core principle that directly shapes our human-oriented approach, innovation capacity, decision quality, and business outcomes. Through equal access to opportunity, equal pay for equal work, and inclusive working arrangements, we build a culture where every employee can participate on equal and fair terms. In the automotive industry, we proudly accelerate our gender-equality perspective under the leadership of the first Turkish woman CEO in the sector. Especially at a time when women’s representation in leadership remains insufficient, we continue to lead the way under our CEO’s guidance.

Equality, Diversity, and Inclusion Across the Supply and Value Chain

Our focus on equality, diversity, and inclusion extends beyond TEMSA to our entire value chain. We expect our business partners to make respect for human rights, combating discrimination, and inclusive practices integral to their operations. We factor ethics and inclusion into our supplier selection and evaluation criteria and encourage partnerships that support the economic participation of underrepresented groups. Through information, awareness, and capacity-building efforts, we help stakeholders embed these standards into their processes, and we secure continuous improvement with regular monitoring and feedback mechanisms. Our goal is to create a fair, human-rights-respecting, and inclusive ecosystem across the value chain.

Safe Work Environment

We place importance on ensuring a safe, respectful, and decent workplace at TEMSA. We apply a zero-tolerance policy toward violence, harassment, and all forms of discriminatory behavior, and we uphold the same standard in every interaction within and outside the workplace, including field work, travel, and online environments. Employees can report concerns safely and confidentially; all reports are reviewed impartially. No one who reports, witnesses, or supports the process is subjected to adverse treatment for doing so.

Social Engagement and Awareness

We continuously strengthen our institutional capacity on gender equality, diversity, and inclusion through training, communication, and stakeholder collaboration. We provide gender equality training to all employees at least once a year. We actively participate in diversity-, equity-, and inclusion-focused projects across the sector and run joint awareness programs with universities, NGOs, and business partners. We regularly track learning outcomes and participation rates and improve our programs in a data-driven way. We view equality, diversity, and inclusion as a fundamental human rights issue. Accordingly, our policy is aligned with the Universal Declaration of Human Rights, International Labor Organization (ILO) conventions, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

Our scope includes employees, candidates, temporary/contract labor, and all stakeholders in our business relationships. We regularly review and improve our practices. At TEMSA, we safeguard, and continually advance, a working life where human dignity is respected, differences are valued, and equal opportunity is protected.

With an inclusive work culture, we create space for every individual to realize their potential.

EQUAL OPPORTUNITY, DIVERSITY AND INCLUSION

At TEMSA, we work to create long-term value within our culture of social sustainability – one that values people and places societal impact at the forefront.

By building a transparent, fair, and participatory culture, we create a workplace where everyone can be themselves, grounded in respect and trust. We position diversity both as a human rights matter and as a strategic capability that fuels innovation; with practices that strengthen belonging, we support team performance and creativity. Our Equality, Diversity, and Inclusion policy guides all operations in line with the UN Global Compact’s 10 Principles, the SDGs, the Universal Declaration of Human Rights, and the Sabancı Code of Business Ethics. In this context, in 2024 we delivered a total of 45.6 hours of training to our employees. In 2023–2024, we also took part in UN Global Compact Diversity and Inclusion Workshops, increasing corporate awareness on topics such as unconscious bias, inclusive culture, and building effective mechanisms, and we had the opportunity to share good practices.

At TEMSA, we support our gender-equality vision with an inclusive approach to leadership representation and maintain our leadership stance in the automotive sector. In line with the “Equality at Work” perspective, we commit to guaranteeing equal opportunity for women and men, institutionalizing gender equality, and eliminating gender-based bias. We take a clear stand against discrimination and expand mechanisms that protect employee well-being.

By supporting women’s advancement, we strengthen development and promotion mechanisms to increase representation at senior levels. We view women’s employment as part of a holistic system of education, development, and support mechanisms; we center unbiased recruitment, equal pay for equal work, parental and caregiving supports, and zero tolerance for harassment and discrimination.

We share this model with stakeholders across the value chain to build a common language, activate controls against discrimination, and expand employment opportunities for disadvantaged groups. We also adapt our roadmap to future needs through regular risk and opportunity assessments.

As TEMSA, we use open, transparent, rights-based language across all business and communication processes and work to remove barriers to equality by combating discrimination. We recognize and reduce unconscious bias and protect, expand, and prioritize respect for the rights of vulnerable groups throughout the value chain.

Women make up 11% of all employees at our company and 28.6% of our white-collar workforce. We prioritize youth employment and diversify our talent base by bringing new talent into the company.

Diversity, Equity, and Inclusion (DEI) Focused Theory of Change Workshop

In this workshop, we analyzed our current state from a social sustainability perspective, defined the change we aspire to, and set concrete steps to get there. Using a theory of change approach, we assessed our strengths and areas for improvement, set short-, medium-, and long-term strategic actions and success indicators, and laid the foundation for the strategy that will advance our DEI efforts.

In 2024, employees under 30 accounted for 76% of new hires, while those aged 30–50 accounted for 22.8%.



At TEMSA, our ultimate aim on equality, diversity, and inclusion is to make our corporate culture permanent and enduring. That culture is accessible and psychologically safe, ensures equal opportunity and representation for everyone, and secures equal pay for equal work and competency-based processes.

We aim to extend this commitment across our supplier and dealer ecosystem, facilitate sector-wide transformation through leading initiatives, and track progress with concrete indicators while reporting transparently.

EQUAL OPPORTUNITY, DIVERSITY AND INCLUSION

At TEMSA, we work to create long-term value within our culture of social sustainability – one that values people and places societal impact at the forefront.



Social Sustainability Culture at TEMSA

- At TEMSA, our social sustainability efforts are shaped by a focus on valuing people.
- Fair and transparent process management is prioritized across all business processes. Through an ethical and transparent recruitment process, candidates encounter TEMSA’s human-oriented culture from the very start.
- In a work environment where ideas can be expressed freely, development is encouraged through effective feedback processes. Being transparent and clear is essential in all openly run processes.
- Developing leadership capabilities is vital for a healthy, productive work culture, and we support the growth of next-generation, coach-like leaders. Our leadership principles foster a culture of participation and value the involvement of all voices in our processes.
- All changes and innovations within TEMSA are transparent to everyone. Continuous development activities are essential so all employees share a common information base aligned with TEMSA’s future goals and can prepare for tomorrow today.
- At TEMSA, we work within a culture that respects nature, the environment, and people.
- Inclusion and diversity are applied across all business processes. With a human-oriented outlook, we value different cultures and personal preferences and work to ease the adaptation of disadvantaged groups to work, education, and social life.
- We care about social impact. Drawing strength from close engagement with local communities and from the Hayal Ortakları Association, we make our social project perspective a visible part of our corporate culture.
- At TEMSA, employees do not hesitate to seek support from one another, and they state clearly both where they need support and where they can offer it. Inspired by the importance of giving and receiving support, appreciation and recognition are integral to our workflow.
- In all our work, strategies, and values, TEMSA puts people at the center. We prioritize work-life balance, the formation of a culture of psychological safety, and attention to our employees’ well-being.
- When decisions are made at TEMSA, teams and employees are considered as much as the work itself; team members’ differences, talents, and values are respected.

EQUAL OPPORTUNITY, DIVERSITY AND INCLUSION

Kariyerde Engelleri Kaldırdık (Removing Barriers in Careers)

Launched by TEMSA in 2014, Kariyerde Engelleri Kaldırdık (KAEK) is a movement that includes all disadvantaged groups. Its core aim is to remove the prejudices and barriers that people with disabilities face in both their careers and social lives, ensuring equal opportunity and accessibility. Under KAEK, TEMSA has implemented Türkiye’s first Disabled Employee Health and Safety awareness training, a friendly match with the ÇÜ Adana Wheelchair Basketball Team, and sign language training.

Held annually, the Barrier-Free Career Days provide a broad platform with participation from the business community, universities, and NGOs. For monitoring and evaluation, we collect participation data, feedback forms, and success stories; based on these insights we make improvements and track both participant satisfaction and project goals. As a result, employment rates for disadvantaged individuals have increased, and public awareness of disability has risen significantly. The “Kariyerde Engelleri Kaldırdık” movement seeks to grow opportunities, not barriers, and to help create a fairer world of work for everyone.

Our Kariyerde Engelleri Kaldırdık project has achieved notable recognition, including the Best Employer Awareness Award at the Globee Golden Bridge Awards, the Barrier-Free Türkiye Award, and the Company Trusted by People with Disabilities Award.

For ten years, the project has reached countless people and institutions, drawing inspiration from the stories of role models who have overcome barriers and supporting participants’ motivation. At TEMSA, we have stayed focused on accessible hiring and inclusive career paths for a decade, prioritizing talent over barriers. Each year we join Barrier-Free Career Days and meet with hundreds of participants. In 2024, at Barrier-Free Life Fair, Türkiye’s largest disability-employment gathering, the 17th Barrier-Free Career Days drew 1,100 participants. We continue our efforts with the satisfaction of reaching more people every year.

This year, we celebrated KAEK’s 10th anniversary with “Kariyerde Engelleri Kaldırdık Career Day & Inclusion Talks”, organized with the participation of leading companies in our region. The event featured pioneering female rally driver Kübra Denizci Keskin and Haluk Kesim, football commentator and host at Lig Radio, as panelists.





WOMEN'S PARTICIPATION IN THE WORKFORCE

At TEMSA, we support and implement practices that increase women’s employment and embrace an equal-opportunity approach. Women constitute 11% of our total workforce and 28.6% of our white-collar employees. In 2024, women accounted for 31% of new hires. We aim to keep advancing by increasing women’s employment and continue to maintain and improve the strong rate we have achieved among blue-collar roles.

In line with this approach, we have embedded targets in the performance goals of our HR team and department managers. Gender distribution is closely monitored within departments. Women represent 20% of employees in STEM roles, and women account for 18% of managers in revenue-generating roles.

We recognize that objective and fair hiring starts with identifying and managing unconscious bias. For this reason, we provide Gender Equality and unconscious bias training as standard content to all employees, starting with our HR team and senior leadership.

Everyone who joins TEMSA completes this module during orientation, and current employees receive a refresher at least once a year.

To measure impact and drive continuous improvement, at least once every three years we administer an unconscious-bias awareness assessment and translate the findings into action plans for hiring, promotion, and development. We refine this evidence-based practice cycle every year.

We also stand by our employees during a safe and supportive parenting experience. We provide birth packages, offer dedicated driver service for pregnant employees, and apply a 7.5-hour workday before birth.

We prioritize helping women balance work and personal life and offer suitable working arrangements when they are ready to return.



With flexible options and phased return after birth, we protect career continuity. Our maternity-leave practice includes adoptive mothers and, irrespective of legislation, is never less than five weeks. In 2024, seven women took maternity leave; based on leave start and return dates, two had returned by the end of the reporting period.¹⁰

We know our sector has low women’s representation and various entry barriers. With this awareness, we lead the transformation of our industry and accelerate change from within through inclusive policies and good practices backed by our employees’ support. By designing hiring, learning, and development around equal opportunity, we support women’s participation in the workforce.

In the 2024 reporting period, women made up approximately **17%** of managers.

¹⁰ Four of our employees who took maternity leave will return to work in 2025. One employee who took leave left voluntarily.

At TEMSA, we are leading the transformation of our industry with inclusive policies that place equal opportunity at the core.

**AS WOMEN WALK FREELY,
ROADS LEAD TO EQUALITY!**

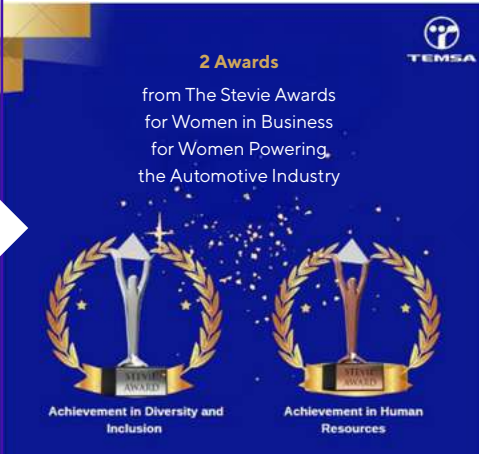
HAPPY INTERNATIONAL WOMEN'S DAY!

WOMEN’S PARTICIPATION IN THE WORKFORCE



Women Powering Automotive (Otomotivin Güçlü Kadınları)

Launched in 2023, our Women Powering Automotive Project aims to help women move beyond gender stereotypes, take active roles in the automotive sector, and strengthen their economic independence. Targeting women in the Çukurova region who are not in education, employment, or training (NEET), the project has partnered with vocational high schools and vocational colleges, provided technical infrastructure through engine, welding, painting, and laboratory classes, and reinforced participants’ skills with material support and vocational training. In line with the project’s goals, we are also rolling out gender equality trainings across TEMSA in collaboration with the Sabancı Foundation.



Reflecting our vision to build an inclusive, equitable ecosystem, “Women Powering Automotive” won in two categories at the 2024 Stevie Awards for Women in Business.



Young Women Building Their Future

With support from the Sabancı Foundation, in collaboration with the Ministry of Family and Social Services and the Ministry of Labor and Social Security, and implemented by the United Nations Development Programme (UNDP), Young Women Building Their Future builds an inclusive support ecosystem to increase the participation of young women in Türkiye who are not in education or employment in social and economic life. To create this ecosystem, we take a whole-of-system view and, as the Sabancı Group, we keep working for a future where girls have equal opportunities.

In 2024, within the Sabancı Foundation, we continued our call for the International Day of the Girl, “Kız çocuk! Kız ki değişir, kız ki dünyaları güzelleştir” (Girls can change and brighten the world), and made our #SenKızBizYanındayız message visible through concrete action.

At TEMSA, we are pleased to support the project in line with the priorities of our equality, diversity, and inclusion approach. The project accelerates the empowerment of young women by facilitating access to jobs, internships, and training through skills-building and employment-focused trainings, mentoring, and grant programs. You can find more details and updates about the project on its [website](#).


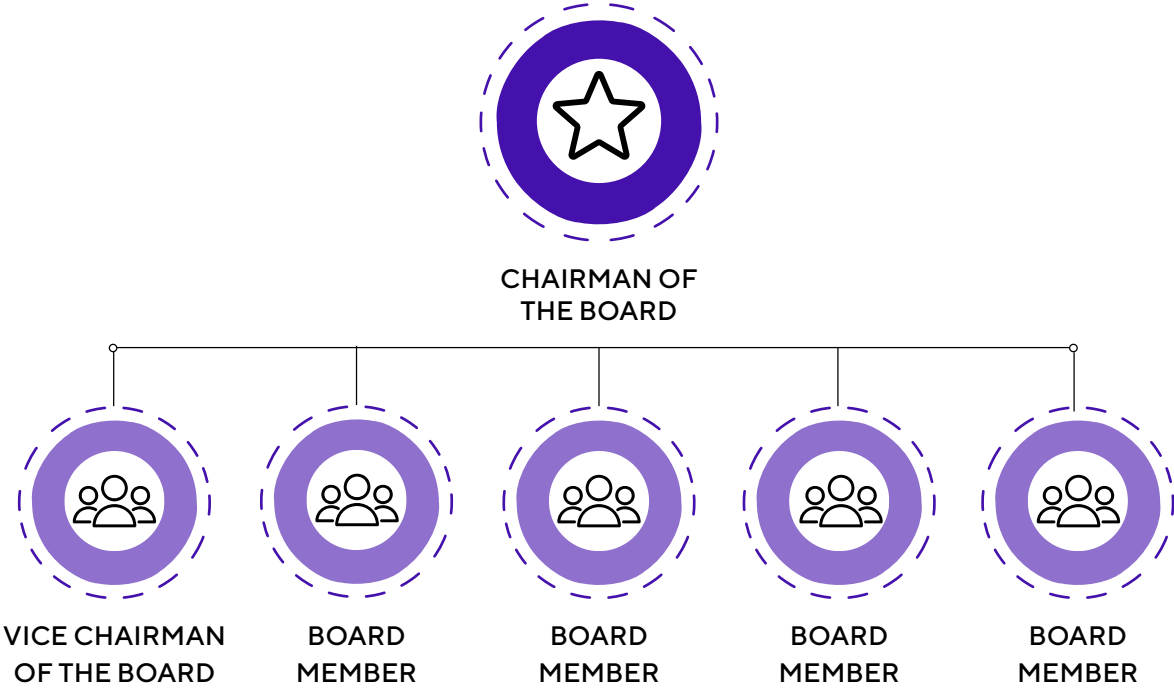
BOARD STRUCTURE

TEMSA’s Board of Directors (BoD) sets the company’s strategic direction, upholds corporate governance principles, and aligns with value-creation goals. With members from diverse areas of expertise, we run decision-making processes effectively. In addition, sustainability matters, defining the company’s sustainability vision, integrating ESG topics into strategies, sustainability-oriented organizational structures, and related risks and opportunities, are addressed at the BoD level.



BOARD DIVERSITY AND INDEPENDENCE

At TEMSA, we have set a first in our sector with strengthened female representation at the senior-management level. We are proud to embody our commitment to equality, diversity, and inclusion in leadership through a woman CEO and gender-balanced top management.

A photograph of a woman with long dark hair, wearing a teal top and a light-colored skirt, seen from behind as she gestures with her hand in a professional setting.

Our Board of Directors brings together diversity in gender, ethnicity, age, and experience, as well as competencies in sustainability and climate risk, and the contribution of independent members secures effective independence and impartiality.

With this approach, we carry diverse perspectives into TEMSA’s strategic decision-making processes, supporting employee belonging and our corporate performance.

SOCIAL IMPACT ORIENTED WORKING APPROACH

As one of the leading institutions in our region and sector, we position ourselves as part of the solution to social issues and develop social projects that deliver long-term impact.

In particular, we run concrete, measurable initiatives to increase access to workplace opportunities for people with disabilities and remove barriers, to empower youth, to increase women’s employment in automotive, and to provide quality education and equal opportunity in education. We continue working to improve living conditions and support social solidarity in the regions where we operate. With 183 TEMSA volunteer employees, we prioritize creating social benefit.

Our employee-volunteering activities reinforce our position as a trusted stakeholder and expand our impact through collaborations with the public sector, civil society, and academia. At TEMSA, we recognize that success in a rapidly changing world requires a strong culture of impact as much as a strong sustainability strategy. We conduct efforts to equip our employees with the knowledge and skills to create positive impact in their business processes.

In this context, we held the **Social Impact and Social Innovation Webinar and Workshop** within TEMSA.

Social Impact and Social Innovation Webinar and Workshop

In our Social Impact and Social Innovation webinar, we examined the strategic role of social impact in business and discussed the shift from corporate social responsibility to sustainability and impact. We assessed how these concepts align with corporate strategies in a practical framework and illustrated the competitive advantages such practices can deliver with real examples. In the workshop that followed, using case-based learning and canvas methods, we analyzed national and international examples and aligned our insights with TEMSA’s priorities. We developed actionable, measurable social impact strategies. This process helped make the integration of social impact and social innovation into business processes concrete, identified steps to bring innovative ideas to life, and supported the development of an impact-oriented culture across the company.

Social Impact and Social Innovation Culture at TEMSA

TEMSA’s social impact and social innovation culture is grounded in generating science- and technology-based solutions to societal needs, integrating these solutions into business processes to scale them, and tracking their impact. This approach aligns with the Sabancı Group’s sustainability vision and current global frameworks.

At TEMSA, the aim of developing solutions that are more effective, equitable, and sustainable than existing methods has been translated into design and implementation principles. This culture is shaped by human-centered design that places inclusion at the core. It triggers transformation through strong collaboration networks with suppliers and communities and operates within a system built on learning, impact tracking, and governance. In this way, social benefit becomes a key part of company strategy and is integrated across all processes, from products to the supply chain and from talent development to community programs.



SOCIAL IMPACT

Lifelong Learning Projects:

We support lifelong learning projects through collaborations with the Ministry of National Education Directorate General for Lifelong Learning, the EU Delegation, vocational and technical schools, and businesses. We contribute to developing the occupations of automotive electromechanics and automotive mechanics, and to creating learning, assessment and evaluation tools, course materials, and curricula for Occupational Health and Safety and Environment.

Çukurova University Vocational School (ÇÜMYO) Laboratory:

Under the Sector-Based Education Cooperation Protocol signed between TEMSA and ÇÜMYO in March 2006, we established two laboratories for the Automotive Department of Adana Vocational School. In addition to trainings delivered by TEMSA instructors, students can complete internships at our company as part of their practical training. In 2024, 40 students from five departments at Çukurova University Vocational School completed their internships, and 24 interns started employment at TEMSA.

Auto Paint Apprenticeship Project:

Since 2014, in collaboration with Adana Çukurova Vocational Education Center, we have run the Auto Paint Apprenticeship Project. The program supports training qualified auto painters, and some participants are employed at TEMSA. To meet qualified workforce needs in our Paint Shop, the 5th cohort of the Auto Paint Apprenticeship Project continues with 49 students.

Çukurova University Faculty of Education:

In collaboration with the TEMSA Sustainability Department, Çukurova University, and the Hayal Ortakları Association, we converted TEMSA’s non-hazardous waste into educational materials and STEM Lab supplies. In doing so, we advanced upcycling while supporting university students’ competency development. By supporting schools in disadvantaged regions, we contributed to equal opportunity in education. With our belief in continuity, this work will continue and become an integral, annually repeated part of the Materials Development course curriculum.

Çukurova University Training Workshop:

In 2010, within our collaboration with the Çukurova University Department of Automotive Engineering, we established a training workshop. Over the past 14 years, we have regularly created an annual course schedule and delivered lectures with the participation of TEMSA managers.

1.5 Adana Electromobile Team:

We provide engineering support to the 1.5 Adana Electromobile Team founded by the Departments of Mechanical Engineering and Electrical and Electronics Engineering at Çukurova University.

Adana Çukurova Vocational Education Center:

Since launching the project in 2017, our collaborations with the Center have continued to create impact and value. Within this scope, we implemented the “1 Employee 2 Trades” project, in which 117 of our employees are currently enrolled as students.

Adana Motor Vocational High School Collaboration:

In 2008, we established the TEMSA Training Laboratory at Adana Motor Vocational High School and train 25 students each year. In 2010, we set up an Auto Paint Workshop, providing training and internship opportunities for 16 students annually. In 2012, we founded an Auto Body Workshop, training 14 students each year and offering internships to four students.

SOCIAL IMPACT

Istanbul Technical University:

As part of the TÜBİTAK 1004 program, TEMSA, Istanbul Technical University (ITU), and Kastamonu Entegre have formed a prestigious collaboration to develop next-generation, eco-friendly, sustainable composite flooring boards. Led by TEMSA, this project stands out as an important step toward advancing environmentally friendly transportation.

Yıldız Technical University:

We provided material and technical support to the Alternative Energy Systems Club (AESK) at Yıldız Technical University, contributing to the club’s R&D efforts and national and international achievements.

TEMSA Information Days:

We participated in engineering summits at METU and Hacettepe University; joined career events at TOBB ETU, Yıldız Technical University, Sabancı University, Istanbul University, and Gazi University; met students and stakeholders at Çukurova University Sector Meetings; and took part in the Vocational Education Fair held at the Adana Fair Center, creating opportunities to engage with high school students and stakeholders.

In 2024, through our inclusive projects and events, we reached a total of **2,811** young people.

In 2024, we supported five schools with waste materials sourced from our R&D, warranty warehouse, and stock control departments. Within this scope, we provided a bus seat and table for the lounge area of the Çukurova University Department of Automotive Engineering; sheet metal to Adana Central Industrial Vocational High School (EML) and Kurttepe EML; an engine to the Automotive Department of Çukurova University Vocational School; and, for the TEMSA Laboratory at Adana Motor Vocational High School, an engine, exhaust, radiator, and upholstery equipment to help strengthen the training infrastructure.

During the 2024 spring term, **43** interns completed internships at TEMSA, and **35** did so in the fall term. **8** interns joined TEMSA as employees.



Factory Visits

- Tarsus University Rector and Administration
- Çukurova University Department of Industrial Engineering
- Adana University of Science and Technology Department of Industrial Engineering
- İmamoğlu Vocational Education Center
- ÇEAŞ Anatolian High School
- Tarsus Science High School
- Ministry of National Education Inspectors
- YİNKADER


SPONSORSHIPS

At TEMSA, sponsorships are not only a key communication channel but also strategic partnerships that reflect our values and sustainability vision. Through our support for sports, culture, and the arts, we build meaningful ties with diverse stakeholders and local communities, strengthening social benefit and corporate reputation.



Kafa Radyo Sponsorship:

In 2024, we signed a three-year sponsorship agreement with Kafa Radio, known for its rich content spanning culture, the arts, and current affairs. As part of this collaboration, we delivered a specially designed live-broadcast bus to the Kafa Radio team at a ceremony at our Adana plant. We are proud to support this journey, where the bus will travel Türkiye’s roads and connect directly with Kafa Radio listeners through live conversations on culture, the arts, and the news.



Adana Demirspor Official Road Transportation Sponsorship:

Reflecting our deep roots in the city, we have been proud road partners to Adana Demirspor since 2016. Through our ground transportation sponsorship, we help carry Adana’s sporting energy forward.



VakıfBank Sports Club Sponsorship:

We have proudly accompanied the global success of the VakıfBank women’s volleyball team as ground transportation sponsor since 2018.



Turkish Basketball Federation Transportation Sponsorship:

Since 2022, we have supported the achievements of the Senior Women’s and Senior Men’s National Basketball Teams as Ground Transportation Sponsor. Walking alongside our national teams allows us to be part of the inspiration that sport brings to society.



Orange Blossom Festival:

At the Orange Blossom Festival held April 13-21, our eQUAD vehicles stood out for their eco-friendly, zero-emission features. As leading examples of green technology, they attracted strong interest from visitors and reinforced enthusiasm for sustainable solutions.



Beşiktaş Road Transportation Sponsorship:

Since 2014, we have been the ground transportation sponsor of the Beşiktaş Football A Team, and we continue this sponsorship for the men’s handball team, men’s and women’s basketball teams, and the women’s volleyball team. We keep expanding our support for Turkish sports across disciplines.



Adasokağı Sports Club Sponsorship:

What began in 2022 as ground transportation sponsorship for Adasokağı Sports Club has evolved into a journey that supports young people’s career development. We brought club players together with TEMSA executives for one-to-one mentoring, helping them take stronger steps toward the future.



Galatasaray Road Transportation Sponsorship:

We are pleased to have served as Galatasaray’s ground transportation sponsor from 2017 to 2024, sharing in this journey of success.

SOCIAL IMPACT-ORIENTED WORKING APPROACH

TEMSA ART PROJECT

With TEMSA ART, we channel our industrial waste into creative processes and build a strong bridge between art and social responsibility. As an extension of our sustainability vision, we designed the project as a holistic model that raises awareness of recycling, supports the production of young artists, and directs proceeds to disadvantaged individuals. Through exhibitions and workshops, we reach broad audiences and present our circular economy approach in a visible, inspiring way.

Starting with Çukurova University and continuing with Marmara University, we collaborate with universities to transform waste materials into works of art together with students. We also support this journey with innovative human resources practices. Under the leadership of a colleague who joined us with the title Circular Impact Artist, we bring art and sustainability together within a more inclusive framework. Over three years, we have recycled approximately 2.5 tons of waste and, with the participation of 46 young artists, produced more than 100 artworks. We transfer the sales proceeds of the works to TEMSA Hayal Ortakları Association, using the funds to support disadvantaged individuals.

In the period ahead, we aim to expand our university network, reach more young artists and students through new exhibitions and co-creation programs, and further integrate the creative reuse of waste materials into our corporate practices.



Otobüsün Penceresinden (From the Bus Window) and A Ticket to Nature

As TEMSA, we create value for society not only with our zero-emission vehicles but also through art, literature, and social projects. To support sustainability awareness among children and young people, we draw on the power of literature in our initiatives. With this approach, our book “Otobüsün Penceresinden” marked our first step in the cultural sphere. We then published “A Ticket to Nature” for middle and high school students, helping spark young readers’ curiosity about sustainable living.

Our first book, featuring stories by 17 authors and symbolizing a view of the world from a bus window, invites readers to explore diverse perspectives and build awareness. “A Ticket to Nature,” which includes 13 stories, brings narratives of sustainable living to young audiences.

We are proud to have published an English edition of “A Ticket to Nature” as well, making TEMSA’s impact visible internationally. We see young people and children as pioneers of today’s transformation and believe in the value of acting together, guided by science, reason, and technology. Proceeds from book sales are transferred to the TEMSA Hayal Ortakları Association, advancing our circular good journey focused on sustainability and social impact.

SOCIAL IMPACT-ORIENTED WORKING APPROACH

VOLUNTEERING AT TEMSA: HAYAL ORTAKLARI (DREAM PARTNERS) ASSOCIATION

In line with our shared-value approach, we prioritize using TEMSA’s know-how, leading technologies, and expertise for the public good, and we develop long-term, high-impact projects powered by our employee volunteers.

We view volunteering as a vital force that makes TEMSA’s social contribution tangible and turns institutional trust into long-term stakeholder relationships. We see that our volunteering strategy, which connects TEMSA employees’ expertise with social needs, positively affects employees’ sense of belonging and engagement. With the experience we gain through our activities and projects, we strengthen critical capabilities such as leadership, empathy, and problem solving, while continuing to foster cross-team collaboration and agility.

Since our journey began in 2014, we have continued to run the Hayal Ortakları project with a fund created by TEMSA volunteers. We design our work as high-continuity, circular structures, and we formed an association to make our volunteer-driven projects more systematic and accessible. Established through the ownership of TEMSA employees, the Hayal Ortakları Association strengthens its resources with regular monthly contributions; volunteers play an active role in painting schools, improving electrical installations, and maintaining roofs.

In the post-disaster period, we focused on supporting children’s access to education and well-being. Together with the Hayal Ortakları Association, on March 8, International Women’s Day, we organized the “TEMSA Hayal Ortakları Children’s Festival” at the Needs Map Container Living Area in Hatay and built a permanent playground there. With the contributions of the TEMSA Music and Football Clubs, the activities and workshops offered children a safe, enjoyable environment that supported their development.

As Hayal Ortakları, through collaborations with university students, in 2024 we continued producing educational materials from waste. These materials were delivered to disadvantaged village schools, where science laboratories were established. Within projects designed to promote equality in education and to support children’s physical and academic development in the post-earthquake period, we have reached thousands of students to date and achieved measurable improvements in the educational infrastructure of village schools.



Awards we have received with Hayal Ortakları are listed below:

- 2022 Best Business Awards – Best Community Engagement Initiative
- 2023 Global Business Excellence Awards – Outstanding Community Initiative
- 2023 The Steives- MENA – Award for Excellence in Innovation in Non-Profit Organizations or NGOs
- 2023 Globee Golden Bridge Awards – Corporate Social Responsibility Program of the Year | Europe, Middle East and Africa



SOCIAL IMPACT-ORIENTED WORKING APPROACH

VOLUNTEERING AT TEMSA: HAYAL ORTAKLARI (DREAM PARTNERS) ASSOCIATION

C4Edu Project

We launched the C4Edu project in collaboration with the TEMSA Sustainability Department, Çukurova University, and the Hayal Ortakları Association to connect circular economy with education. We upcycle our non-hazardous waste into STEM laboratory materials, establish science labs in village schools, and support our circular-economy business model with proceeds from the TEMSA ART project. Within this scope, we have recycled approximately 1,000 kg of waste and provided 40 university students with hands-on experience and teaching practice. One of the most meaningful impacts for us was that, once the lab became operational, student enrollment at the school increased and new classes were opened, improving access to education.

Another impact that broadened the project’s social dimension was mobilizing the local ecosystem. During school renovations, inmates contributed under the Ministry of National Education–Penitentiary Protocol, supporting reintegration into society. The village association renewed doors and windows, and nearby industrial firms supplied construction materials. C4Edu has evolved into an inclusive model that nurtures regional solidarity and a culture of co-production. By embedding C4Edu as a permanent component of the course curriculum, we aim to continue activities every year, expand our stakeholder network, and translate the link between circular economy and education into concrete outcomes in more schools.



Seninle İyi Gelecek (A Better Future with You)

Led by TÜSİAD and supported by Sabancı Group companies, “Seninle İyi Gelecek” brought together young people ages 18–30 to develop sustainability-oriented ideas. The idea marathon gave youth space to produce concrete solutions and showed that they are leaders of today. At TEMSA, we prioritize integrating sustainability into business processes and bringing young people’s ideas to life.

Kafa Radio Hits the Road with TEMSA

With our belief in the transformative power of culture and the arts, we signed a three-year sponsorship agreement with one of Türkiye’s most beloved voices, Kafa Radyo. The specially designed live-broadcast bus we delivered at our Adana plant was brought to life through TEMSA’s engineering strength, with contributions from Mapar and support from CarrefourSA. Set to tour Türkiye, the bus will enable Kafa Radyo to meet listeners face-to-face and convey culture, art, and current affairs in a live, interactive format.

SOCIAL IMPACT-ORIENTED WORKING APPROACH

Sabancı Youth Mobilization

In 2023, to mark the 100th anniversary of the Republic, we declared the Sabancı Republic Mobilization. Drawing strength from this legacy, we believe the next century must be built on science, reason, and trust. With our strongest stakeholders, young people, we evolved this effort into the Sabancı Youth Mobilization. With this approach, we created a culture that produces with youth, shares impact and empowers them. To spread this culture, nearly one thousand Sabancı volunteers took part in the 46th Istanbul Marathon under the Sabancı Youth Mobilization.

Throughout 2024, TEMSA has continued to participate in the Sabancı Youth Mobilization, an open ecosystem where young people are supported in technology, innovation, and entrepreneurship and can put their ideas into practice. Within this scope, 78 young talents at TEMSA attended an Industry 4.0 webinar. We also took part in the 2024 Keynote event held under the Sabancı Youth Mobilization and explored Industry 4.0 together with young people. With newly established centers and a digital platform, the Sabancı Youth Mobilization continues to build a strong foundation for the skills of tomorrow, beyond today's needs. For more information and updates, you can visit the initiative [website](#).

As the Sabancı Group, we are writing the future of these lands together with young people, building a strong, inclusive platform that turns free ideas into production and carries production into tomorrow. At TEMSA, we see young people's ideas as the real force of transformation and continue our contribution to the Sabancı Youth Mobilization with determination.



Sabancı Sports Games

Within the Sabancı Sports Games, an event with more than 500 athletes from the Sabancı Group, we carried our team spirit and inclusive culture into sport. We congratulate our teammates who competed in seven disciplines: soccer, volleyball, basketball, table tennis, chess, tennis, and backgammon. Our TEMSA team achieved a proud result by winning the bronze medal in table tennis. As TEMSA, we continue to play an active role in sporting activities with a corporate culture that supports employee well-being and strengthens unity and solidarity.



SOCIAL IMPACT-ORIENTED WORKING APPROACH

Sabancı Holding and TEMSA Earthquake Crisis Management

implemented solidarity programs for affected communities. This experience once again underscored the importance of preparedness-based organizational resilience, and the integrated structure run through the crisis desk enabled us to coordinate our operations in real time.

In addition, at TEMSA we developed the Crisis Control System, which allows us to quickly track the safety of our employees in emergencies. Through multiple communication channels, we gained the capacity to monitor employee status effectively. You can find details of our crisis management activities under the ➤ **Crisis Control** section of our report.

Post-earthquake support activities we carried out:

- Conducted a needs survey to assess employees’ health and status.
- Sent information emails on collecting essential supplies and on blood donation in the earthquake zone.

- Supplied buses, generators, fuel, essential goods, and hygiene materials to affected regions.
- Converted the Adana Showroom into a safe shelter for employees and their families; set up tents, containers, and other living spaces; met basic needs including clothing; organized a motivation event for children with clowns, dances, and toys.
- Installed 16 containers to create accommodation for 64 people.
- Provided psychological support for our employees.
- Held Dream Workshops and Career Introduction Workshops for 7th–8th graders at the Atatürk Education Village in Samandağ, Hatay (with TEMSA, Brisa, Kordsa, Temsa Motor Vehicles, and 38 Sabancı Volunteers).
- Hosted webinars: Psychological Resilience to Earthquakes (Feb 22) and Disaster Preparedness (Mar 10).
- Deployed volunteer teams—10 to Kahramanmaraş and 18 to Hatay; in cooperation with İstiklal Medical Center, sent two physiotherapists to Hatay tent cities; TEMSA volunteers supported food sorting and placement at Needs Map Warehouses.
- Conducted TMA dealer/service/supplier visits; after needs assessment, shipped six containers to Hatay for service employees and workwear for 25 people.
- For International Women’s Day (Mar 8) in Hatay, organized a self-care event and distributed hygiene kits to ~1,500 women, providing services with 100 hairdressers.
- Organized a motivation event for children staying in the showroom with the Ministry of Youth and Sports.
- Provided logistics support to the Turkish Basketball Federation’s Basketköy project in Belen, Hatay, in an area hosting 90 earthquake-affected families.
- TEMSA representatives took part in the “Earthquake Preparedness in Industry” seminar organized by the Automotive Manufacturers Association (OSD) Occupational Health and Safety Committee in Istanbul and shared field experiences from during and after the earthquake.
- Organized physiotherapy sessions in the Hatay tent city on March 10–12.
- Launched “Earthquake Employment Mobilization” projects via Youthall and Kariyer.net; hired 2 people from the quake region and provided internships to 15 earthquake-affected students.
- Delivered one forklift and one pallet jack for use throughout March.
- Sent 100 each of winter trousers, sweatshirts, coats, and zip-off-sleeve vests to the Hatay Expo relief warehouse.
- Ran a Ramadan food-parcel drive with our employees, collecting a total of 670 boxes.

- Implemented internal announcements and incentive practices to encourage TEMSA employees’ participation in volunteering activities.

Within this scope, to date:

- On March 1 and March 7, we supported the Kahramanmaraş Disaster Platform’s social market aid work with five TEMSA employees each,
- On March 9–10, we supported needs-box sorting at the Hatay Tent City with 14 TEMSA employees,
- On March 11–12, we supported needs-box sorting at the Hatay Tent City with 20 TEMSA employees,
- On April 4–5, we supported Ramadan parcel distribution and sorting at Hatay Expo with 20 TEMSA employees,
- And on April 27–28, we supported sorting at Hatay Expo with 20 TEMSA employees.

As a result of the work we carried out, we provided accommodation for a total of 459 people, installed 16 containers, and supplied 11,500 meals. With the contributions of 128 TEMSA volunteers, we reached a total of 56 volunteer days. The sense of solidarity and compassion that grew in all our hearts after the earthquake found concrete expression through these efforts. Standing shoulder to shoulder, we strove to erase the traces of the earthquake and to assist those in need. We continue to develop projects that create meaningful value for society, and we are moving forward with determination toward a future filled with hope.

SOCIAL IMPACT-ORIENTED WORKING APPROACH

Sabancı Hatay Incubation Center

Launched in Hatay in collaboration with Sabancı Group companies BRİSA, KORDSA, TEMSA, and TEKNOSA, the Sabancı Hatay Incubation Center has, since its opening, reached 1,250 entrepreneurs and aspiring entrepreneurs through its programs and trainings. Concrete support mechanisms have been established to help young people and women in the region reengage in productive life.

The Center aims to revitalize the local economy in a city affected by the earthquake, create new job opportunities, and reduce migration pressure. In addition to trainings, regular entrepreneurship meetups and community events provide networking opportunities. As TEMSA, we are proud to be an active stakeholder in this structure and contribute our technical know-how, mentoring support, and partnerships to ensure that the value created at the Center is lasting and scalable.



TEMSA 2024 “Stronger Together” Year-End Meeting

At our 2024 year-end gathering, we made visible the steps we took together throughout the year, the gains we achieved, and the shared principles that will guide the future. By sharing our strengths and experiences, we reviewed our achievements spanning production, safety, sustainability, and corporate culture. Seeing together how every contribution finds its place in the broader picture gave us stronger motivation to move forward toward common goals. The year 2024 was one in which we reinforced safe, efficient, and agile processes, integrated technology and data more effectively into decision-making, and advanced both customer and employee experience. In our meeting, we clarified our goal for the period ahead: to scale these gains and make sustainable growth a corporate reflex.

As TEMSA, we grow our strength through the inspiration and support we draw from one another. For us, true success multiplies through collective wisdom and steps taken together. **With the efforts of every TEMSA employee, we will continue to create value by delivering safe production, superior quality, and lasting social impact in tandem.**



SHARED MOBILITY

The acceleration of urbanization, the deepening of environmental challenges, and changing societal expectations make innovative solutions in transportation imperative. At TEMSA, we regard shared mobility models that reduce traffic congestion, carbon emissions, and energy consumption as one of the foundational components of the cities of the future. In this direction, our electric vehicles, equipped with low-carbon technologies, offer accessible and inclusive solutions that help shape sustainable transportation models.

Guided by our vision of making mobility accessible to everyone, we develop community-based solutions across a broad portfolio, from employee shuttles and school transportation to urban and intercity transit. As an active stakeholder in Europe’s sustainable transition, we are helping to make transportation models that reduce the carbon footprint more widespread and accessible through our technologies and services

Growing in Europe with its intercity coaches, TEMSA has become one of the top three players in France.

AutoCar Expo 2024

We continue our strong growth with 6,000 vehicles operating on France’s roads. At AutoCar Expo held in Lyon in 2024, we stood out with our safe and sustainable mobility approach.

By introducing our LD SB E model, Europe’s first electric intercity coach, we further strengthened our position in France. Our innovative solutions and low carbon technologies drew strong interest from exhibition participants. This model, which can also be used in school transportation in France, enriches our product portfolio while enabling us to offer innovative solutions to the expectations of different customer groups.

With our environmentally friendly vehicles, we carry our **“Safe and Sustainable Mobility”** vision forward and continue to help build a more efficient and responsible transportation ecosystem on a global scale.



With our growing sales volume in the global market, we are delivering our reliable and innovative mobility solutions to different parts of the world. Within the scope of the Paris 2024 Olympics, our delivered electric intercity coach, LD SB E, contributed to reducing carbon emissions in public transportation and supported the vision of “the greenest Olympics.” Our MD9 electriCITY deliveries to three municipalities in Romania constituted a strong example of green transformation. In the Spanish market, over the past two years, we increased our sales fivefold and achieved significant momentum. At the Madrid FIAA 2024 Fair, the solutions we showcased with four of our models (HD, MD9, Prestij SX, and LD SB E) reflected the international interest in our sustainability-oriented approach. As TEMSA, with our innovative technologies and environmentally friendly product portfolio, we continue to be one of the leading players in the global mobility sector.

With our shared mobility vision, we are developing next-generation transportation models that enhance energy efficiency, reduce carbon footprints, and improve accessibility.

EMPLOYEE HEALTH AND SAFETY

At TEMSA, occupational health and safety (OHS) form the foundation of a safe, human-oriented, and healthy work culture and covers our entire value chain, from our employees to our suppliers. We carry out all our operations (100%) in compliance with the requirements of the ISO 45001 Occupational Health and Safety Management System.

With our determination to create a safe working environment, our core OHS target is zero occupational accidents.

Our aim is to build a strong OHS culture that everyone embraces and translates into behavior. In this direction, we inform our employees by sharing workplace accidents that occur at the plant via TEMSA Campus, and we institutionalize our commitments through our OHS Policy. We ensure continuous improvement with a focus on employee health and safety, enhancing our processes through stakeholder collaborations, compliance with national and international standards, and digital solutions. Within our corporate structure, OHS management is carried out under the leadership of the Deputy General Manager of Operations. In addition, in 2024 we made expenditures of approximately TRY 9,078,249 within the scope of OHS.

Management of OHS Risks, OHS Committee and Employee Participation

As TEMSA, we address our OHS culture with a holistic approach that encompasses employee health, safety, and well-being. In 2024, with the participation of 64 employees, we organized OHS Risk Assessment Training and provided broad support ranging from trainings and field observations to the provision of personal protective equipment and on-site health services. Our OHS team analyzes risks in simulation environments, thereby strengthening our safety culture, and reinforces our learning-organization approach through open communication and feedback mechanisms. In addition, through daily field inspections, weekly unannounced site visits, and each unit’s internal audits, risks are identified at an early stage, reported, and swiftly acted upon to bring them under control. In 2024, risk analyses were completed at all our facilities.

Across all sites, we apply the Fine-Kinney method to prioritize hazards and develop effective solutions. This approach also includes the direct participation of our employees in work processes. Our OHS Committee, composed of 15 members, covers our entire workforce through the contributions of representatives from the union, human resources, team leaders, and administrative units.

Through regular meetings, the committee creates roadmaps to eliminate risks identified in the field and systematically tracks the results of the measures taken. In 2024, as part of the renewal of risk assessment activities carried out at our plant, we met with teams from the Quality Directorate, Production Directorate, and Logistics Directorate. Through hands-on trainings addressing the challenges encountered in risk assessment processes, we developed solution-oriented approaches.

Occupational Disease Surveillance

In line with our approach that prioritizes employee health, we systematically analyze the data obtained from regular screenings and examinations carried out within the scope of workplace health practices. In this process, we ensure the early detection of potential occupational risks, the awareness of our employees, and the necessary referrals.

As an important indicator of workplace health practices, we recorded no diagnosed occupational disease throughout 2024.

TEMSA “Know Your Chemical” Project

The project standardizes the life cycle of chemicals to protect employee health, reduce environmental impacts, and secure business continuity. Through 640 hours of observation across 32 sites, 600 findings were improved, 20 standards were updated, and a digital management system was established for approximately 500 chemicals. While SDS access, safe storage, closed dosing, and safe substitution practices were expanded, leading indicators were integrated into KPIs, and emergency protocols were developed. At the community level, hands-on training was delivered to 2,000 people and household-chemical information was provided to 6,000 people, and by collecting 1,400 liters of waste oil, the contamination of approximately 140,000 tons of water was prevented.



EMPLOYEE HEALTH AND SAFETY

OHS Training

We regularly conduct OHS training to prevent occupational accidents and diseases, reduce risks, and build a common safety language for all employees. By equipping people with competencies tailored to different roles and responsibilities, we make safe behavior the standard and carry near-miss and post-incident learning into our institutional memory. We deliver trainings on safe work principles, on-the-job instruction, behavior-based safety management, awareness against unsafe behaviors, near-miss and post-incident briefings, correct use of personal protective equipment, and safety leadership, and we reinforce them through on-site implementation. In 2024, a total of 1,631 participants joined our OHS trainings, including 1,353 employees and 278 trainees/interns.

We delivered a total of **21,823** hours of OHS training to our employees and a total of **149.5** hours to our subcontractors.



OHS Performance

During the reporting period, 38 occupational accidents occurred at our facility. Absenteeism due to accidents totaled 166 days, and the lost workday rate (LWR) was 0.09.¹¹ We encourage the reporting of near-miss events as an early-warning mechanism, conduct analyses to turn all employee reports into learning opportunities, and track the process.

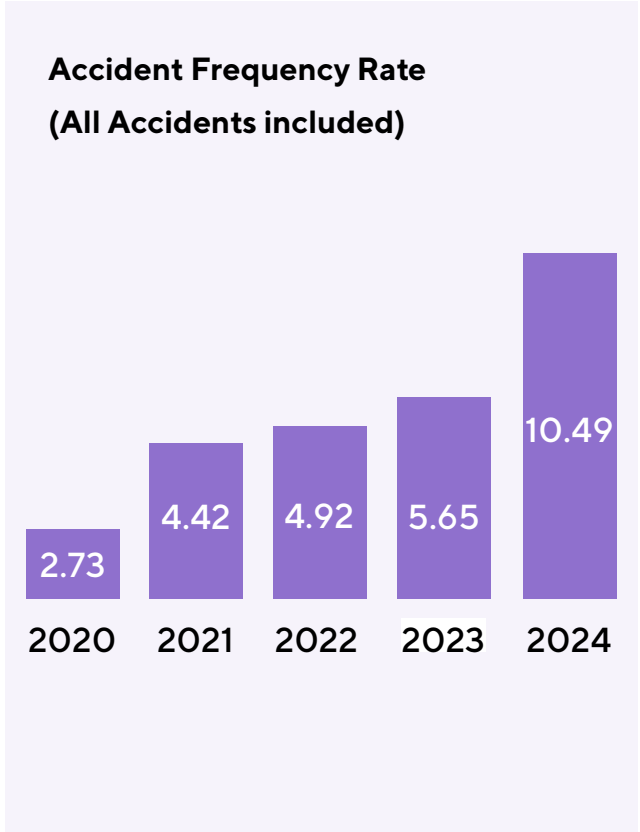
During the reporting period, we received 375 near-miss reports via EBA.

Thanks to close follow-up through regular and unannounced site visits, 1,099 OHS nonconformities were identified in 2024. This figure demonstrates the scope and effectiveness of field audits and has created an important opportunity for disseminating a health and safety culture and ensuring a safe working environment. Root-cause analyses were conducted for each nonconformity. By applying the defined process flow in a disciplined manner, corrective actions were implemented in line with the timeline.

We are raising our level of preparedness through trainings that build emergency awareness. We continue to strengthen our mass notification and communications infrastructure for emergency situations. The Emergency Instruction and Plan prepared for our plant was updated, clarifying the processes for prevention, protection, evacuation, firefighting, and first aid, as well as the teams and responsibilities in these areas. With our comprehensive emergency plan, we aim to ensure the safe management of potential scenarios. Our emergency response equipment includes two fire trucks staffed 24/7 across three shifts by a seven-person firefighting team. We have 693 team members serving on emergency teams such as firefighting, first aid, search and rescue, and damage assessment.

We provide training opportunities for employees assigned to emergency teams and conduct regular drills. In addition, we maintain one fully equipped ambulance, two occupational physicians, and two healthcare personnel to ensure emergency and health management.

¹¹Incident Severity Rate: Number of lost workdays × 1,000 / total working hours.
Incident Frequency Rate: Number of lost-time injuries × 1,000,000 / total working hours.



EMPLOYEE HEALTH AND SAFETY

2024 OHS Activities	
Company-wide and Regional Emergency Drills	20 areas
Periodic Inspections and Maintenance of Machines/ Equipment	2,082 inspections
Work Machinery OHS Inspections and Improvements	132 inspections (every six months)
Fire Detection and Suppression System Inspections	1,631 inspections (monthly and quarterly)
Lifting Attachments Inspections	73 inspections
Hazard and Risk Assessment Review	At least once per year (all areas)
Unannounced Field Audits	46 audits
Annual OHS Training Hours per Person	20.16 hours per person
Work Permits and Controls (working at height, hot work, and contractor)	2,324 permits issued



Regional and Company-Wide Drills

At TEMSA, we regard preparedness for potential emergencies as a critical element of our OHS approach. Through drills designed for fire, earthquake, first-aid, and chemical-spill scenarios, we strengthen our employees’ awareness and reflexes. In extraordinary situations, we assess response time, communications effectiveness, equipment readiness, and radio traffic, and we coordinate improvement actions.

Throughout 2024, we conducted hands-on drills in a total of 20 areas of varying scale, reinforcing our emergency-management capacity.

Search and Rescue and First-Aid Training

Within the scope of emergency preparedness, our TEMSA Light Search and Rescue Team enhanced its capability by successfully completing trainings delivered by AFAD (the Disaster and Emergency Management Authority of Türkiye). With their dedicated efforts, the team represented TEMSA at MESS’s 51st Ordinary General Assembly, drawing attention to the importance of well-equipped teams established in the aftermath of the earthquake. Within TEMSA, we organized certified basic first-aid training to ensure the adequacy of emergency teams across all shifts. Coordinated by our occupational physician, these trainings ensure that each shift includes the number of first-aid responders prescribed by regulation.

Unannounced Field Audits

As one of the most effective ways to keep our health and safety culture dynamic, we conduct unannounced audits in the field. At TEMSA, we embrace this approach by carrying out surprise visits in different areas with independent teams composed of managers, directors, team leaders, and employee representatives. In 2024, 46 audits were conducted across our production areas, and a total of 1,099 risk factors were identified. These findings were shared with the relevant teams, necessary corrective steps were taken swiftly, and additional briefing trainings were provided to raise employee awareness. To date, our audits have both driven risk-reduction actions and helped reinforce safe behaviors.

OHS Agile Team

We continuously improve our practices aimed at preventing occupational accidents and creating a safer working environment. To further support our safety culture, we are working to establish an OHS Agile Team with participation from employees across different functions in the coming period.

LOTO Lockout/Tagout (EKED)

By continuing the lockout/tagout system we launched in 2023, we minimize risks during maintenance and repair and keep energy sources safely under control. In this context, 12 of our employees successfully completed EKED training in 2024.

EMPLOYEE HEALTH AND SAFETY

Orange Helmet Practice

With the Orange Helmet Practice implemented at our plant, trainees participating in the İŞKUR Vocational Training Course use orange hard hats as part of their personal protective equipment. This practice ensures that trainees are easily distinguishable in the field, builds awareness, and helps TEMSA’s safe-work culture be adopted more quickly and effectively throughout the vocational training process.



Simulation Center

The TEMSA Simulation Center recreates critical on-site scenarios under conditions that closely mirror reality, strengthening our teams OHS reflexes. The program includes accelerated onboarding for new hires, behavior-based safety modules, post-incident and near-miss learning sessions, and hands-on training on the correct selection, use, and maintenance of personal protective equipment.

Safety Behavior Culture and Raising Awareness

At TEMSA, we carry out initiatives to embed occupational health and safety awareness into employees’ daily practices and to prevent potential occupational accidents and diseases. As awareness increases, our goal is to ensure the continuity of healthier and safer working environments.

Safety Day

By declaring May 7 as “Safety Day” at TEMSA, we carried out a program that advanced our occupational health and safety culture. Throughout the day, innovative solutions were showcased at the booths of our OHS equipment suppliers; hands-on trainings, workshops, and gamified activities increased our employees’ awareness.

OHS-Procurement Development Talks

In the development talks we conducted together with the Procurement Directorate, we addressed the identification of potential hazards and risks in workplaces, the stages of the risk assessment process, and the implications of this process for occupational safety.

Supplier Monitoring

In our supplier selection processes, we monitor OHS performance via evaluation questionnaires and link the results to our responsible procurement policy. We prioritize collaboration with suppliers who aim to make OHS a culture and deliver continuous improvement. By working with suppliers that provide safe working conditions for their employees and enhance OHS practices in their operations, we help spread a safety culture across our entire value chain.

Occupational Health and Safety Theater Performance

We continued our theater performances in 2024, bringing employee safety onto the stage of our corporate culture. In the play, we dramatized on-site risks together with safety rules and messages, designing an interactive and instructive experience.

OHS Collaborations with Stakeholders

We participated in the workshop held at the Türk Traktör plant in Ankara together with occupational safety professionals under the umbrella of the Automotive Manufacturers Association (OSD). The sessions focused on electric-vehicle battery safety and fire prevention, battery storage conditions, industrial fire management, and the competency requirements for personnel working on electric vehicles.

We delivered training to teachers at Adana Çobanoğlu Vocational and Technical Anatolian High School on obligations under Türkiye’s Occupational Health and Safety Law No. 6331 and on risk assessment. During the factory visit by the Engineering Society of Adana Science and Technology University, we briefed 26 participants on our OHS practices, TEMSA’s position in the sector, and our product portfolio.

Led by TEMSA’s R&D Electric Vehicles and OHS Department, we provided training to a 100-person team, including branch managers and chiefs from the Adana Metropolitan Municipality Fire Department, on electric-vehicle components, key considerations in potential fires, and preventive practices.

APPENDICES



CORPORATE MEMBERSHIPS

Corporate memberships, while improving business processes, also provide access to the best practices, knowledge, and global collaborations within and beyond the sector. These memberships and collaborations act as a lever for our company to achieve its strategic goals while also strengthening our corporate governance structure.

In addition, through the organizations of which we are a member, we communicate our views on sustainability and especially on climate-related issues to our stakeholders and regulatory institutions.

ORGANIZATION'S NAME	INSTITUTION ACTIVITY AREA	STRATEGIC FOCUS SUPPORTED BY MEMBERSHIP
Adana Chamber of Industry	To meet the needs of member businesses, facilitate professional work, and promote communication and solidarity among colleagues.	Corporate Governance
Adana Chamber of Commerce	To meet the needs of member businesses, facilitate professional work, and promote communication and solidarity among colleagues.	Corporate Governance
ADSIAD (Adana Industrialists and Businessmen's Association)	To meet the needs of member businesses, facilitate professional work, and promote communication and solidarity among colleagues.	Corporate Governance
Mediterranean Exporters' Associations (AKİB) - Mediterranean Iron and Non-Ferrous Metals Exporters' Association	To meet the needs of member businesses, facilitate professional work, and promote communication and solidarity among colleagues.	Corporate Governance
Çukurova Young Businessmen's Association	To meet the needs of member businesses, facilitate professional work, and promote communication and solidarity among colleagues.	Corporate Governance
DEİK - Germany Business Council	To increase the competitiveness of Turkish business in international trade and promote global partnerships.	Corporate Governance
Ethics and Reputation Society (TEİD)	To manage issues of business ethics, compliance, and reputation.	Corporate Governance
IPRU (International Road Transport Union)	To promote the development of road transport and road transport companies.	Corporate Governance


CORPORATE MEMBERSHIPS

ORGANIZATION’S NAME	INSTITUTION ACTIVITY AREA	STRATEGIC FOCUS SUPPORTED BY MEMBERSHIP
Istanbul Chamber of Commerce (İTO)	To provide support in import and export processes.	Corporate Governance
İş-Kur Innovative Human Resources Association	To provide support in HR processes.	Corporate Governance Human Resources Management
Talent Council	Innovative HR Leaders, Talent Summit, and Talent Camp	Human Resources Management
MESS (Turkish Metal Industrialists' Union)	To manage Industrial Relations Processes (Employer Union).	Corporate Governance
OSD (Automotive Manufacturers Association)	To closely monitor developments in technical regulations and global trade in the automotive sector and to contribute positively to foreign trade through product and engineering exports as Türkiye's leading industrial sector.	Corporate Governance
Battery Manufacturers Association (TAP)	To provide support in battery and battery waste management processes.	Corporate Governance Environmental Performance
TOBB - Union of Chambers and Commodity Exchanges of Türkiye - Automotive Industry Council	To meet the needs of member businesses, facilitate professional work, and promote communication and solidarity among colleagues.	Corporate Governance
Türkiye Internal Audit Institute Association	To provide various services for the competencies of professionals, corporate governance quality of finance and real sector companies, and academic development of the profession.	Corporate Governance
UITP (International Association of Public Transport)	To provide consulting, set standards, and support sustainability and development in the global public transport sector, encouraging forward-looking solutions.	Corporate Governance
Uludağ Exporters' Associations (UİB) - Vehicle and Sub-Industry Exporters	To contribute to the economy by uniting exporters, work on foreign trade issues, and ensure the development in line with national interests, keeping members informed about foreign trade developments.	Corporate Governance
UN Global Compact (UNGC)	International Sustainability Initiative to be referenced on topics like climate change, water and waste management, and strategic developments.	Corporate Governance Human Rights Approach Environmental Performance


CORPORATE MEMBERSHIPS

ORGANIZATION’S NAME	INSTITUTION ACTIVITY AREA	STRATEGIC FOCUS SUPPORTED BY MEMBERSHIP
Global Compact Network Türkiye	To meet the needs of member businesses on issues like human rights, environment, governance, etc., and promote communication and solidarity among members.	Corporate Governance Human Rights Approach Environmental Performance
Science Based Targets Initiative (SBTi) (Business Ambition for 1.5 C, Race to Zero Campaign, We Mean Business)	To provide guidance on emissions and emission reduction scenarios based on science-based targets and support target-setting processes for decarbonization strategies.	Environmental Performance Supply Chain Sustainability
CDP (Carbon Disclosure Project) Initiative	To support transparency in climate change and water security disclosures and promote a risk-based approach and stakeholder engagement with strategic approaches.	Environmental Performance Supply Chain Sustainability
EcoVadis	Provides companies with a comprehensive sustainability assessment service through a global cloud-based SaaS platform.	Corporate Governance Human Rights Approach Environmental Performance
TUSMOD	To improve purchasing processes.	Corporate Governance
EPD (Environmental Product Declarations)	To transparently declare the environmental impact of products and share their environmental performance.	Environmental Performance
TÜSİAD	To accelerate strong corporate governance structure, strengthen environmental management, and enhance managerial performance.	Corporate Governance Environmental Performance
TÜSİAD SD 2	To provide sharing for managing digital transformation processes in industry.	Corporate Governance
OSD SSH Committee	To manage the SSH Processes of the Automotive Manufacturers Association.	Corporate Governance
OSD Supply Chain	To manage the Supply Chain Processes of the Automotive Industry.	Corporate Governance Supply Chain Sustainability
OSD R&D Committee	To manage the R&D Center & Incentive Processes of the Automotive Industry.	Corporate Governance
R&D MIP	To enhance R&D and Design activities in Türkiye, comparing management practices, showcasing good practices, identifying common issues, and increasing collaboration among R&D and Design centers.	Corporate Governance
AOSB Advisory Board	A Common Sharing Platform for Adana Organized Industrial Zone Industrialists.	Corporate Governance


AWARDS




By winning the Excellence in Customer Services for Uptime Management 2023 award in 2024, we have proven our commitment to customer satisfaction and our success in operational processes on an international scale.




With our project that supports digitalization and innovation in spare parts business processes, we were granted both the Value-Added Achievement Award and the Lenovo Jury Special Award within the scope of the TÜSİAD Industry 4.0 Digital Transformation Program.




In 2024, we won the OİB Golden Exporter Award.




At Sabancı Group’s “Scientists & Designers of Sabancı” event, seven of our R&D employees were honored with awards.




Within the TİSK Common Future Awards, we were honored in the Future of Our Business category.




Our Removing Barriers in Career project received the Globee Golden Bridge Award – Best Employer Awareness Award, the Accessible Türkiye Award, and the Trusted Company for People with Disabilities Award.




At the “Quality Awards for DTA KD Plants” ceremony, we received the first-place award in the People Excellence category among 17 KD plants.




Thanks to the innovative and empowering approach of our leaders, we were included in Fast Company’s 50 Most Innovative HR Leaders list.




Through our NextGen MBA program, we achieved significant success in the field of human resources and received two different awards within the scope of the Stevie Awards for Great Employers.



Our Women Power in Automotive project won two awards in different categories at the 2024 Stevie Awards for Women in Business.



In 2024, we were selected as the Favorite Company of Young Talents by YİNKADER.



With our human resources management practices, we received the 50 Most Effective CHRO Award presented by DataExpert&Bloomberg Businessweek.

ECONOMIC PERFORMANCE INDICATORS

INVESTMENTS (TRY)	2022	2023	2024
Total Amount of Environmental Expenditure	508,918	✓ 1,180,346	✓ 2,655,757
Statutory Expenditures	414,352	✓ 884,916	✓ 2,046,806
Non-Statutory Expenditures	94,566	✓ 295,430	✓ 608,951
Total Environmental Investment (Mitigation of the effects)	1,112,977	✓ 2,207,084	✓ 2,053,053
Budget Allocated for OHS	4,723,650	8,221,916	9,078,249

REVENUE/EXPENSES (TRY)	2022	2023	2024
Annual Total Revenue	4,408,738,635	9,170,901,638	17,646,821,709
Total Operating Expenses	4,073,645,730	7,965,790,832	16,093,315,167
Expenditures for the Development of Employees	564,915,433	969,495,473	2,701,394,283
Return on Human Capital Investment	1.6	2.2	6.53

SUSTAINABLE PRODUCT AND SERVICES INVESTMENTS	2022	2023	2024
Total Revenue from Sustainable Products and Services (TRY)	373,499,304	✓ 201,101,828	✓ 344,253,558
Ratio of Revenue from Sustainable Products and Services in Total Revenue (%)	8.47	✓ 2.19	✓ 1.95
Total R&D and Innovation Investments (TL)	140,281,170	✓ 82,378,540	✓ 90,058,229
Sustainability-Oriented R&D and Innovation Investments (TL)	75,234,886	✓ 29,101,694	✓ 70,105,839
Ratio of Sustainability-Oriented R&D and Innovation Investments (%)	54%	✓ 35%	✓ 78%

SUPPLIERS ¹²	2022	2023	2024
Total Number of Suppliers	1,820	1,205	1,265
Total Domestic Suppliers	1,537	1,034	1,070
Total International Suppliers	283	171	195
Total Supplier Payments (TRY)	3,911,744,239	7,131,699,390	10,767,338,829
Total Payments to Domestic Suppliers (TRY)	2,098,882,094	4,147,439,686	6,400,766,160
Total Payments to International Suppliers (TRY)	1,812,862,145	2,984,259,704	4,366,572,669
Total Number of New Suppliers	350	76	154
Total Number of New Foreign Suppliers	6	48	121
Total Number of New Local Suppliers	-	26	33

NUMBER OF PRODUCTS AND SERVICES CONTRIBUTING TO SUSTAINABILITY	2022	2023	2024
Mitigation of the Impact	9	✓ 10	✓ 11

¹² The 2023 data has been revised.

SOCIAL PERFORMANCE INDICATORS

NUMBER OF EMPLOYEES BY GENDER AND CATEGORY (PERSON)	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
White Collar	125	382	140	411	✓ 181	✓ 450
Blue Collar	2	869	19	1,121	✓ 21	✓ 1,176
Total	127	1,251	✓ 159	✓ 1,532	✓ 202	✓ 1,626

NUMBER OF EMPLOYEES BY GENDER AND OTHER CATEGORIES (PERSON)	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Number of Disabled Employees	4	41	4	36	✓ 4	✓ 44
Number of Foreign Employees ¹³	0	1	0	0	0	0
Employees Covered Within the Scope of Collective Labor Agreement	2	869	19	1,121	✓ 21	✓ 1,176
Blue Collar Employees Covered by Collective Labor Agreements (%)	100		100		100	

EMPLOYEES BY SENIORITY (PERSON)	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
0-5 Years	94	200	128	557	✓ 166	✓ 706
5-10 Years	19	247	17	128	✓ 22	✓ 154
10 Years and Above	14	804	14	847	✓ 14	✓ 766

NUMBER OF EMPLOYEES BY GENDER AND AGE (PERSON)	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Under the Age of 30	70	136	101	430	✓ 115	✓ 495
Between the Ages of 30-50	57	1,066	57	997	✓ 83	✓ 1,026
Over the Age of 50	0	49	1	105	✓ 4	✓ 105

NUMBER OF MANAGERS BY GENDER AND AGE (PERSON)	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Under the Age of 30	1	3	0	4	✓ 0	✓ 5
Between the Ages of 30-50	22	82	22	95	✓ 31 ¹⁴	✓ 115
Over the Age of 50	0	13	0	19	✓ 1	✓ 27

NUMBER OF MANAGERS BY GENDER AND MANAGEMENT LEVEL (PERSON)	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Number of Senior Managers	4	9	✓ 4	✓ 7	✓ 3	✓ 10
Number of Middle Level Level Managers	20	33	✓ 6	✓ 40	✓ 12	✓ 40
Number of First Level Managers	40	107	✓ 12	✓ 57	✓ 16	✓ 97

¹³ It includes the operations conducted in Türkiye.
¹⁴ The calculation has been performed by including the CEO at the "N" level.

SOCIAL PERFORMANCE INDICATORS

NUMBER OF OTHER MANAGERS AND EMPLOYEES (PERSON)	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Number of Managers in Revenue Generating Roles	17	33	✓ 8	✓ 36	✓ 16	✓ 72
Number of Employees in STEM Roles	32	142	✓ 34	✓ 106	✓ 32	✓ 122

MATERNITY/PARENTAL LEAVE METRICS BY GENDER (PERSON)	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Number of Employees Taking Maternity/Parental Leave	2	47	✓ 3	✓ 47	✓ 7	✓ 56
Number of Employees Returning to Work After the End of Maternity/ Parental Leave	2	47	✓ 1	✓ 47	✓ 2 ¹⁵	✓ 56
Percentage of Employees Returning to Work After Maternity Leave (%)	100		✓ 33		✓ 92	

NUMBER OF EMPLOYEES HIRED BY GENDER (PERSON)	2022	2023	2024
Female	58	✓ 68	✓ 45
Male	128	✓ 430	✓ 183
Female Managers	-	✓ 3	✓ 7
Male Managers	-	✓ 21	✓ 14

¹⁵ In 2024, four employees took maternity leave and are expected to return in 2025, while one employee on leave resigned voluntarily.

NUMBER OF EMPLOYEES HIRED BY GENDER AND AGE (PERSON)	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Under the Age of 30	50	90	✓ 59	✓ 350	✓ 31	✓ 143
Between the Ages of 30-50	8	35	✓ 9	✓ 78	✓ 14	38
Over the Age of 50	0	3	0	✓ 2	0	✓ 2

NUMBER OF EMPLOYEES HIRED BY GENDER AND MANAGEMENT LEVEL (PERSON)	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Number of Senior Managers	0	1	✓ 1	0	0	✓ 1
Number of Middle Level Managers	1	8	✓ 1	✓ 11	✓ 4	✓ 1
Number of First-Level Managers	0	4	✓ 1	✓ 10	✓ 3	✓ 12
Total Number of Newly Hired Managers	1	13	✓ 3	✓ 21	✓ 7	✓ 14

NUMBER OF LEAVING EMPLOYEES BY GENDER (PERSON)	2022	2023	2024
Female	13	✓ 36	✓ 47
Male	76	✓ 148	✓ 240

NUMBER OF LEAVING EMPLOYEES BY AGE AND GENDER (PERSON)	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Under the Age of 30	9	27	✓ 22	✓ 39	✓ 39	✓ 108
Between the Ages of 30-50	4	46	✓ 14	✓ 98	✓ 8	✓ 105
Over the Age of 50	0	3	0	✓ 11	0	✓ 27

SOCIAL PERFORMANCE INDICATORS

NUMBER OF LEAVING EMPLOYEES BY GENDER AND MANAGEMENT LEVEL (PERSON)	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Number of Senior Managers	1	1	0	0	✓ 1	0
Number of Middle Level Managers	1	1	✓ 4	✓ 6	0	✓ 6
Number of First-Level Managers	0	8	0	✓ 9	0	✓ 7
Total	2	10	✓ 4	✓ 15	✓ 1	✓ 13

NUMBER OF VOLUNTARILY LEAVING EMPLOYEES BY GENDER (PERSON)	2022	2023	2024
Female	10	21	22
Male	62	106	76

DISTRIBUTION OF FEMALE EMPLOYEES	2022	2023	2024
Number of Female Employees (Person)	127	✓ 159	✓ 202
Total Number of Employees (Person)	1,378	✓ 1,691	✓ 1,828
Percentage of Female Employees (%)	9	✓ 9	✓ 11

DISTRIBUTION OF FEMALE MANAGERS AND EMPLOYEES (%)	2022	2023	2024
Distribution of Female Managers	30	✓ 17	✓ 32
Distribution of Female Managers in Revenue Generating Roles	34	✓ 18	✓ 18
Distribution of Female Employees in STEM Roles	18	✓ 24	✓ 21

EMPLOYEE DISTRIBUTION BY MANAGERIAL LEVEL	2023	2024
Number of Senior Managers at First Level	✓ 69	✓ 113
Percentage of Senior Female Managers at First Level (%)	✓ 17.39	✓ 14
Number of Senior Managers at Middle Level Level	✓ 46	✓ 52
Percentage of Senior Female Managers at Middle Level (%)	✓ 13.04	✓ 23
Number of Top Managers	✓ 11	✓ 13
Percentage of Female Top Managers (%)	✓ 36.36	✓ 23
Percentage of Female Managers at First, Middle Level, and Senior Levels (%)	✓ 17.46	✓ 21

EMPLOYEE TURNOVER RATES BY GENDER (%)	2022	2023	2024
Female	10	✓ 23	✓ 47
Male	6	✓ 10	✓ 240

EMPLOYEE TURNOVER RATES BY AGE (%)	2022	2023	2024
Under the Age of 30	17	✓ 11	✓ 51
Between the Ages of 30-50	4	✓ 10	✓ 39
Over the Age of 50	6	✓ 17	✓ 9

SOCIAL PERFORMANCE INDICATORS

EMPLOYEE TURNOVER RATES BY MANAGEMENT LEVEL (%)	2022	2023	2024
Senior Managers	15	0	✓ 4
Middle Level Managers	4	✓ 22	✓ 2
First Level Managers	5	✓ 13	✓ 3

EMPLOYEE TRAININGS (HOUR)	2022	2023	2024
Total Training Hours	23,513	✓ 37,267	✓ 46,958
Average Training Hours per Employee	17.1	✓ 22.04	✓ 26

TOTAL TRAINING HOURS BY GENDER (HOUR)	2022	2023	2024
Female	3,103	✓ 9,346	✓ 9,176
Male	20,410	✓ 27,921	✓ 37,782

TOTAL TRAINING HOURS BY AGE (HOUR)	2022	2023	2024
Under the Age of 30	4,718	✓ 16,789	✓ 17,284
Between the Ages of 30-50	18,082	✓ 19,489	✓ 28,094
Over the Age of 50	713	✓ 989	✓ 1,580

TOTAL TRAINING HOURS BY MANAGEMENT LEVEL (HOUR)	2022	2023	2024
Senior Managers	314	✓ 179	✓ 59
Middle Level Managers	1,602	✓ 1,648	✓ 240
First Level Managers	3,658	✓ 6,331	✓ 420

SUBCONTRACTORS TRAININGS (HOUR)	2022	2023	2024
Total Training Hours	92	92	149.5
Average Training Hour per Subcontractor	2.2	2.3	1.6

TRAINING COST (TRY)	2022	2023	2024
Total Training Cost	2,120,321	✓ 11,571,832	✓ 11,271,781
Average Training Cost per Employee	1,538.7	✓ 6,843.2	✓ 6,166

ETHICS TRAINING (HOUR)	2022	2023	2024
Number of Female Employees Receiving Ethics Training	45	78.33	200
Number of Male Employees Receiving Ethics Training	149	270	1,906
Total Hours of Anti-Corruption and Anti-Bribery Training	-	348	2,105

SOCIAL PERFORMANCE INDICATORS

ENVIRONMENT AND SUSTAINABILITY TRAININGS (HOUR)	2022	2023	2024
Total Environment and Sustainability Trainings	4,171	✓ 2,200	✓ 1,490

NUMBER OF PEOPLE REACHED THROUGH THE INCLUSION PROGRAMS (PERSON) ¹⁶	2022	2023	2024
Citizens Aged 65 and Over	0	-	-
Youth	1,490	✓ 2,157	✓ 2,811
Children	192	✓ 300	✓ 510
Women	40	✓ 1,020	✓ 21
Immigrants	0	-	-
Others	400	-	-
Total	2,122	✓ 3,477	✓ 3,342

OHS PERFORMANCE - EMPLOYEES	2022	2023	2024
Total Working Hours	2,745,664	✓ 3,718,971	✓ 3,622,560
Number of Accidents	13	✓ 16	✓ 38
Number of Fatal Incidents	0	✓ 0	✓ 0
Number of Occupational Diseases	0	✓ 0	✓ 0
Injury-Related Absenteeism (Days)	10	✓ 5	✓ 166
Lost Workday Rate (%)	72.8	✓ 0.27	✓ 0.09

OHS PERFORMANCE - SUBCONTRACTORS	2022	2023	2024
Number of Accidents	0	0	0
Number of Fatal Incidents	0	0	0
Number of Occupational Diseases	0	0	0
Injury-Related Absenteeism (Days)	0	0	0

OHS TRAININGS	2022	2023	2024
Training Hours Provided to Company Employees (person*hour)	11,425	✓ 12,486	✓ 21,823
Training Hours Provided to Subcontractors (person*hour)	246	92	149.5

¹² The number of people reached through the inclusivity program has been calculated based on meetings conducted with schools and associations collaborated with under social responsibility projects.

ENVIRONMENTAL PERFORMANCE INDICATORS

ENERGY CONSUMPTION BY FUEL TYPE (MWh) ¹⁷	2022	2023	2024
Natural Gas Consumption	9,937	✓ 14,814.58	✓ 14,734.23
Diesel Consumption (generators, company vehicles, forklifts, heating)	5,190	✓ 7,129.028	✓ 7,607.248
Gasoline Consumption	737.72	✓ 1,232.80	✓ 2,236.4
Electricity Consumption	10,886	✓ 12,723.22	✓ 13,215.58
CNG (Compressed Natural Gas) Consumption	140	✓ 15.97	✓ -
Total Energy Consumption	26,891.33	✓ 35,915.63	✓ 37,793.46

ENERGY DATA	2022	2023	2024
Annual Total Energy Savings (kWh)	9,248,048	✓ 1,143,442	✓ 1,738,387
Annual Total Energy Savings (TRY)	1,478,250	✓ 1,772,749	✓ 2,053,053

DIESEL CONSUMPTION (LITER)	2022	2023	2024
Company Vehicles	63,830	✓ 40,245	✓ 58,381
Operational Off-Road Vehicles	9,544	✓ 27,913	✓ 19,947
Generator (Emergency Situation)	6,186	✓ 9,377.70	✓ 6,110
Diesel Used in Process	411,880	✓ 597,504	✓ 635,878
Toplam	491.440	✓ 675.040,54	✓ 720.316,46

GASOLINE (LITER)	2022	2023	2024
Company Vehicles and Garden Equipments	75,804	✓ 126,672.66	✓ 229,801.39

OTHER FUELS	2022	2023	2024
CNG (m³)	13,203	✓ 1,501	✓ 0

RENEWABLE ENERGY USE	2022	2023	2024
Share of Renewable Energy Consumption in Total Energy Consumption (%)	5.1	✓ 35.86	✓ 45.26
Renewable Energy Production (MWh)	-	✓ 1,266.85	✓ 1,279
Renewable Energy Consumption (MWh)	8,579	✓ 1,267	✓ 12,653
Purchased Renewable Energy (MWh)	8,579	✓ 11,456.37	✓ 11,373
Share of Renewable Electricity Consumption in Total Electricity Consumption (%)	-	✓ 100	✓ 95.74

PURCHASED HEAT/STEAM/ REFRIGERANT GAS (kg) ¹⁹	2022	2023	2024
R134-A	85.1	✓ 25.51	✓ 38.03
R22	109	✓ 109	✓ 108.80
R410-A	23	✓ 11.35	✓ 35.40
R407	-	✓ 11.35	✓ 11.35
R404A	-	✓ 9.80	✓ 19.60
Others	-	✓ 9	✓ 0
Total	217	✓ 176.01	✓ 213.18

¹⁷ The data for the years 2022 and 2023 have been updated.
¹⁸ Natural Gas: 2024: 139,660,923.69 m³
¹⁹ In the 2024 reporting period, there is no data for Solid Heat/Steam/Cooling Gas/Electricity (kg).

ENVIRONMENTAL PERFORMANCE INDICATORS

	SCOPE 1 (ton CO ₂ e)			SCOPE 2 (ton CO ₂ e) (MARKET BASED)			SCOPE 2 (ton CO ₂ e) (LOCATION BASED)			SCOPE 3 (ton CO ₂ e)			TOTAL (ton CO ₂ e)		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Adana	4,120.1	✔✔ 5,400.3	✔✔ 5,379.03	954.5	✔✔ 0.0	✔✔ 0.0	4,504.6	✔✔ 4,740.6	✔✔ 4,793.82	1,371,350.2	✔ 1,748,795.7	✔ 1,900,656.90	1,376,424.9	✔ 1,751,726.9	✔ 1,910,829.75
İstanbul	0.0	✔ 0.0	✔ 12.72	43.8	✔ 43.9	✔ 54.33	43.8	✔ 43.9	✔ 54.33	0.0	✔ 0.0	✔ 36.18	43.8	✔ 43.9	✔ 157.56
USA	245.6	✔ 403.6	✔ 71.82	15.5	✔ 14.1	✔ 49.35	15.5	✔ 14.1	✔ 49.35	0.0	✔ 0.0	✔ 2,794.31	261.0	✔ 417.7	✔ 2,964.83
Germany	1.9	✔ 1.9	✔ 50.37	2.7	✔ 2.6	✔ 7.11	2.7	✔ 2.6	✔ 7.11	0.0	✔ 0.0	✔ 15.23	4.6	✔ 4.5	✔ 79.82
France	42.4	✔ 58.6	✔ 299.32	72.1	✔ 35.5	✔ 14.5	72.1	✔ 35.5	✔ 14.5	0.0	✔ 0.0	✔ 62.11	114.5	✔ 94.1	✔ 390.43

ADANA FACILITY SCOPE 3 GREENHOUSE GAS EMISSIONS (ton CO ₂ e)	2022	2023	2024
C1- Purchased Goods and Services	197,959.31	✔ 176,914.46	✔ 139,640.95
C2- Capital Goods	72.44	✔ 541.75	✔ 1,121.92
C3 – Fuel and Energy Related Activities	868.19	✔ 2,645.97	✔ 2,578.75
C4- Upstream Transportation and Distribution	3,309.83	✔ 3,192.81	✔ 4,389.19
C5- Upstream Waste Management	259.38	✔ 512.76	✔ 534.94
C6 – Business Travel	467.32	✔ 1,199.51	✔ 1,316.41
C7- Employee Commuting	685.23	✔ 1,010.72	✔ 780.58
C9- Downstream Transportation and Distribution	1,643.82	✔ 1,074.44	✔ 5,944.57
C10- Product Use Phase	12.60	✔ 0.30	✔ 0.30
C11- Emissions from the Use of Sold Products	1,165,485.02	✔ 1,540,012.74	✔ 1,714,769.96
C12- End-of-Life Waste from Sold Products	-	✔ 17,155.76	✔ 28,056.41
C14- Dealers	587.09	✔ 4,534.45	✔ 4,430.86
TOTAL	1,371,350.2	✔ 1.748.795,7	✔ 1.903.564,73

GREENHOUSE GAS EMISSIONS (ton CO ₂ e) ²⁰	2021 ²¹	2022	2023	2024
Scope 1 Emissions	3,847.3	4,410.0	✔ 5,864.42	✔ 5,813.26
Scope 2 Market Based Emissions	3,562.5	1,088.5	✔ 96.11	✔ 125.29
Scope 2 Location Based Emissions ²²	3,562.5	4,638.5	✔ 4,836.8	✔ 4,919.11
Scope 3 Emissions	752.0	1,371,350.2	✔ 1,748,795,7	✔ 1,903,564.7
Total ²⁴	11,724.3	1,381,487.2	✔ 1,759,593.0	✔ 1,914,422.39

²⁰ Scope 1, Scope 2, and Scope 3 emissions have been calculated in accordance with ISO 14064-1, within the framework of the “Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard,” using the operational control approach.

²¹ The data for the year 2021 have been updated due to SBTi studies.

²² Scope 2 location-based emissions refer to carbon emissions resulting from national grid electricity consumption, while Scope 2 market-based emissions refer to carbon emissions arising from renewable energy consumption.

²³ The data for the year 2023 have been updated due to SBTi studies.

²⁴ The total greenhouse gas emissions for 2022 include Scope 1, Scope 2 (market-based), and Scope 3 emissions.

ENVIRONMENTAL PERFORMANCE INDICATORS

GREENHOUSE GAS BASE YEAR EMISSIONS (ton CO ₂ e) ²⁵	
Scope 1 Emissions (2021)	3,847.3
Scope 2 Emissions (2021)	3,562.5
Scope 3 Emissions (2023)	1,748,795.7

AIR EMISSIONS (kg) ²⁶	2022	2023	2024
NOx	0	11.20	11.28
SOx	0	0	0
TOC	0	112.5	124.9
Toz	0	4.7	4.7

WATER CONSUMPTION (m ³) ²⁷	2022	2023	2024
Water Withdrawal – Groundwater	116,113	✓ 123,708	✓ 112,110
Water Withdrawal – Municipal Water (Used from Third-Party Sources)	11,559	✓ 14,626	✓ 16,519
Discharged Wastewater	54,379	✓ 56,171	✓ 48,724
Reused/Refurbished Water	-	✓ 2,877	✓ 7,846
Water Consumption	73,293	✓ 82,163	✓ 79,905

WASTE MANAGEMENT (ton) ²⁸	2022	2023	2024
Hazardous Waste	508	✓ 725.90	✓ 880.38
Reused/Recycled Hazardous Waste	-	✓ 92.74	✓ 11.35
Hazardous Waste Recovered for Energy Purposes	450	✓ 638.10	✓ 780.3
Disposed Hazardous Waste	-	✓ 0.06	✓ 0,173
Non-Hazardous Waste	1,044	✓ 1,431.7	✓ 1,500
Amount of Recycled Waste	1,552	✓ 2,157.54	✓ 1,599.93
Reused/Recycled Waste Rate (%)	100%	✓ 100%	✓ 67.2%
Total Plastic Consumption	13.31	✓ 169.52	✓ 7.65

²⁵ Greenhouse gas emissions have been calculated with an expanded scope to align with the CDP Climate Change Questionnaire and SBTi expectations.

²⁶ In accordance with the regulation, the definition of Volatile Organic Compounds (VOC) has been changed to TOC, and the definition of Particulate Matter (PM) has been changed to Dust.

²⁷ The 2024 water consumption data include all locations.

²⁸ The 2024 waste management data include all locations.

EXTERNAL ASSURANCE STATEMENT

Appendix 1: TEMSA 2024 Sustainability Report – Reporting Principles is available [here](#).



DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş. Maslak
no1 Plaza
Eski Büyükdere Caddesi
Maslak Mahallesi No:1
Maslak, Sarıyer 34485
İstanbul, Türkiye

Tel : +90 (212) 366 6000
Fax : +90 (212) 366 6010
www.deloitte.com.tr

Mersis No:
0291001097600016
Ticari Sicil No : 304099

INDEPENDENT ASSURANCE REPORT

DRT Bağımsız Denetim ve SMMM A.Ş. (“Deloitte”) independent auditor's limited assurance report to the Board of Directors of Temsa Skoda Sabancı Ulaşım Araçları A.Ş. (together referred to as “Company”) on the 2024 Sustainability Report for the year ended 31 December 2024.

Scope of Limited Assurance Engagement

We have been engaged to perform a limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and (ISAE) 3410 ("Standards") on whether the Selected Sustainability Information listed below (the "Selected Information") in the Company's Sustainability Report for the year ended 31 December 2024 (the "2024 Sustainability Report").

Our assurance engagement does not cover information related to previous periods, other information included in the 2024 Sustainability Report, or Sustainability Information or any other information related to the 2024 Sustainability Report (including any images, audio files, or embedded videos).

Selected non-financial performance data for limited assurance

We have been engaged by the Company to perform limited assurance procedures on the accuracy of the following key performance indicators included in the 2024 Sustainability Report for the year ended 31 December 2024. The scope of the indicators subject to limited assurance procedures and found on pages 149-157 marked with “✓” of the 2024 Sustainability Report for the year ended 31 December 2024 is as follows:

Social Indicators

- Occupational Health and Safety
- Number of Accidents (#)
- Number of Fatal Accidents (#)
- Number of Occupational Diseases (#)
- Injury-related Absenteeism (day)
- Lost Workday Rate (%)
- Total OHS Training Hours (person.hour)
- Total Working Hours (hours)
- Employee Demographics
- Number of Employees by Gender (#)
- Number of White-collar Employees
- Number of Blue-collar Employees
- Number of Employees by Working Time Arrangement
- Number of Employees by Age Group
- Percentage of Female Employees (%)



- Number of Managers by Management Level (#)
- Distribution of Female Managers (%)
- Number of Managers in Revenue Generating Roles (#)
- Distribution of Female Managers in Revenue Generating Roles (%)
- Number of Employees in STEM Roles (#)
- Distribution of Female Employees in STEM Roles (%)
- Number of Employees Taking Maternity Leave (#)
- Number of Employees Taking Paternal Leave (#)
- Number of Employees Returning to Work After Maternity Leave (#)
- Recruitments & Leaves
- Number of Employees Hired (by Age, Gender and Managerial Level) (#)
- Number of Leaving Employees by Gender, Age and Managerial Level (#)
- Employee Turnover Rate by Gender, Age and Managerial Level (%)
- Total Training Hours
- Total Training Hours by Gender, Age and Managerial Level (hour)
- Training Hours by Category (hour)
- Total Training Cost (TL)
- Average Training Cost per Employee (TL)
- Social Impact
- Number of People Reached by Inclusion Programs (#)
- Number of Employees with Disabilities
- Number of Employees under Collective Labor Agreements

Environmental Indicators

- Environmental Indicators
 - Total Energy Consumption (MWh)
 - Natural Gas Consumption (m3,MWh)
 - Diesel Consumption (lt,MWh)
 - Gasoline Consumption (lt,MWh)
 - CNG (m3,MWh)
 - Electricity Consumption (MWh)
 - Renewable Energy Consumption (MWh)
 - Renewable Energy Production (MWh)
 - Purchased Renewable Energy (MWh)
 - Annual Total Energy Savings (KWh, TL)
 - Renewable Energy Ratio (%) (Share of Renewable Energy Consumption in Total Energy Consumption)
 - Purchased Heat/Steam/Refrigerant Gas (kg)
- Greenhouse Gas Emissions
 - Scope 1 Greenhouse Gas Emissions (tCO2e.)
 - Scope 2 Greenhouse Gas Emissions (Location Based) (tCO2e.)
- Water Management
 - Non-Renewable Groundwater (Well) Withdrawal (m3)
 - Municipal Water Withdrawal
 - Water Discharge (m3)
 - Recycled and Reused Water (m3)
 - Total Water Withdrawal (m3)

EXTERNAL ASSURANCE STATEMENT



- Waste Management
- Hazardous Waste (ton)
- Reused/Recycled Hazardous Waste (ton)
- Hazardous Waste Recovered for Energy Purposes (ton)
- Disposed Hazardous Waste (ton)
- Total Non-Hazardous Waste (ton)
- Amount of Recycled Waste (ton)
- Reused/Recycled Waste Rate (%)
- Total Plastic Consumption (ton)

Economic Indicators

- Environmental Expenditures and Investments
- Environmental Investments (TL)
- Environmental Expenditures (TL)
- Statutory Expense
- Non-statutory Expense
- Sustainable Business Model
- Number of Products and Services Contributing to Sustainability (#)
- Total Revenue from Sustainable Products and Services (TL)
- Ratio of Revenue from Sustainable Products and Services in Total Revenue (%)
- Total R&D and Innovation Investments
- Sustainability-focused R&D and Innovation Investments
- Ratio of Sustainability-focused R&D and Innovation Investments to Total R&D and Innovation (%)

Structural constraints

All assurance engagements have inherent limitations due to the selective testing of the information under review. Fraud, error or non-compliance may therefore occur and not be detected. In addition, non-financial information, such as non-financial information contained in reporting documents, is subject to more structural limitations than financial information, given the nature and methods used to identify, calculate and sample or estimate such information.

Our assurance engagement provides limited assurance as defined in ISAE 3000 (Revised) and (ISAE) 3410 (“Standards”). The procedures performed as part of a limited assurance engagement differ in nature and timing - and to a lesser extent - from a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore significantly narrower than the scope of a reasonable assurance engagement.

Special Purpose

Our work has been undertaken to inform the Company's Board of Directors of the matters we are required to report in this report and for no other purpose. To the extent permitted by law, we accept no responsibility to any person or entity other than the Company's Board of Directors for the assurance audit we have conducted or the conclusion we have reached.

This report has not been prepared within the framework of the obligation for certain businesses to comply with the Turkish Sustainability Reporting Standards (TSRS) published by the Public Oversight Authority ("POA") in the Official Gazette dated 29/12/2023, which mandates mandatory sustainability reporting as of 01/01/2024.



Our Independence and Competence

We comply with the independence and other ethical provisions of the *Code of Ethics for Accounting Professionals* published by the International Ethics Standards Board for Accounting Professionals, which sets out the basic principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply the International Standard on Quality Management 1 (ISQM 1) and accordingly maintain a robust system of quality control, including policies and procedures that document compliance with relevant ethical and professional standards and requirements in laws or regulations.

Responsibilities of Management

The Company Management is responsible for the preparation, accuracy and completeness of the sustainability information and statements in the report. The Company Management is responsible for setting the Company's sustainability goals, establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Responsibilities of the Practitioner

Our responsibility is to reach a conclusion on the Selected Information based on our procedures. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements and, in particular, International Standard on Assurance Engagements (ISAE 3000) (Revised) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) on Assurance Engagements Other than Independent Audits.

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of the procedures performed in a limited assurance engagement are limited compared to those required in a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is lower.

Our Key Assurance Procedures

We carried out limited assurance on the accuracy of the selected key performance indicators specified below in the section “Selected non-financial performance data for limited assurance” related to 2024 year and included into the Report.

To achieve limited assurance, the ISAE 3000 (Revised) and (ISAE) 3410 (“Standards”) requires that we review the processes, systems and competencies used to compile the areas on which we provide our assurance. Considering the risk of material error, we planned and performed our work to obtain all of the information and explanations we considered necessary to provide sufficient evidence to support our assurance conclusion.

To form our conclusions, we undertook the following procedures:

- Analyzed on a sample basis the key systems, processes, policies and controls relating to the collation, aggregation, validation and reporting processes of the selected sustainability performance indicators;
- Made inquiries with employees of the Company responsible for sustainability performance, policies and corresponding reporting;
- Performed selective substantive testing to confirm the accuracy of received data to the selected key performance indicators;

EXTERNAL ASSURANCE STATEMENT

Deloitte.

- Made inquiries of management and senior executives to obtain an understanding of the overall governance and internal control environment, risk management, materiality assessment and stakeholder engagement processes relevant to the identification, management and reporting of sustainability issues; and

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.


Limited Assurance Conclusion

Based on our work and the assurance procedures performed, nothing has come to our attention that causes us to believe, in our opinion, that the Selected Information referred to above in the Company's 2024 Sustainability Report for the year ended 31 December 2024, for which we were engaged to provide limited assurance, has not been prepared, in all material respects, in accordance with the Reporting Manual, as described in the “Auditor's Responsibilities” section above.

Restrictions on Use

This Report, including the conclusion, has been prepared for the Board of Directors of Temsa Skoda Sabancı Ulaşım Araçları A.Ş. to assist in reporting the Company's performance and activities related to the Selected Information. We hereby authorize the inclusion of this report in the Sustainability Report prepared for the year ending 31 December 2024, to enable Temsa Skoda Sabancı Ulaşım Araçları A.Ş. Board of Directors to demonstrate that it has fulfilled its responsibilities by preparing an independent limited assurance report on Selected Information. Except to the extent permitted by law and in cases where prior written approval has been obtained and expressly agreed upon, we do not accept or assume any responsibility to anyone other than the Board of Directors of Temsa Skoda Sabancı Ulaşım Araçları A.Ş. and its subsidiaries and Temsa Skoda Sabancı Ulaşım Araçları A.Ş. in connection with the work we have performed or the report we have prepared.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Osman Arslan
Partner

Adana, 10 November 2025

GRI CONTENT INDEX



Statement of Use	TEMSA has reported in accordance with GRI Standards for the period 01.01.2024 – 31.12.2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Since GRI has not yet published a standard specific to our sector, no sector standard has been used.

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

GRI STANDARD	DISCLOSURES	STATEMENT LOCATION	DIRECT ANSWERS AND OMISSION
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	About Our Report p.8	
	2-2 Entities included in the organization’s sustainability reporting	About Our Report p.8	
	2-3 Reporting period, frequency and contact point	About Our Report p.8 Contact p.172	
	2-4 Restatements of Information	About Our Report p.8	There is no revised information compared to the previous reporting period.
	2-5 External Assurance	External Assurance Statement p.158	
	2-6 Activities, value chain, and other business relationships	About Our Report p.8	
	2-8 Employees	Social Performance Indicators p.150	
	2-8 Workers who are not employees	Social Performance Indicators p.150	
	2-9 Governance structure and composition	Board Structure p.128 Board Diversity and Independence p.128	
	2-10 Nomination and selection of the highest governance body	Board Structure p.128 Board Diversity and Independence p.128	
	2-11 Chair of the highest governance body	Chairman’s Message p.4	
	2-12 Role of the highest governance body in overseeing the management of impacts	Risk and Opportunity Management p.22	
	2-13 Delegation of responsibility for managing impacts	Risk and Opportunity Management p.22	
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Committee p.25	
	2-15 Conflicts of interest	Ethics and Transparency p.44	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURES	STATEMENT LOCATION	DIRECT ANSWERS AND OMISSION
General Disclosures			
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Risk and Opportunity Management p.29	
	2-17 Collective knowledge of the highest governance body	Board Structure p.128 Board Diversity and Independence p.128	
	2-18 Evaluation of the performance of the highest governance body	Board Structure p.128 Board Diversity and Independence p.128	
	2-19 Remuneration policies	Compensation and Benefits p.104	
	2-20 Process for determine remuneration	Compensation and Benefits p.104	
	2-21 Annual total compensation ratio		Confidentiality Constraints: The total annual employee remuneration ratio is not publicly disclosed in order to protect employee privacy and maintain the company’s competitive position.
	2-22 Statement on sustainable development strategy	Chairman’s Message p.5 CEO’s Message p.6 Strategic Priorities p.20 Sustainability Manager’s Message p.21	
	2-23 Policy Commitments	Compliance with Corporate Governance Principles p.43	
	2-24 Embedding policy commitments	Compliance with Corporate Governance Principles p.43	
	2-25 Processes to remediate negative impacts	Risk and Opportunity Management p.28 Our Business Continuity and Crisis Control Approach at TEMSA p.42 Compliance with Corporate Governance Principles p.43 Ethics and Transparency p.44	
	2-26 Mechanisms for seeking advice and raising concerns	Compliance with Corporate Governance Principles p.43 Ethics and Transparency p.44	
	2-27 Compliance with laws and legislation	Compliance with Corporate Governance Principles p.43 Ethics and Transparency p.44	
	2-28 Membership associations	Corporate Memberships p.145	
	2-29 Approach to stakeholder engagement	Our Sustainable Governance and Effective Communication Strategy p.51 Social Dialogue p.51 Stakeholder Engagement and Communication p.51	
	2-30 Collective bargaining agreements	Social Dialogue p.51 Social Performance Indicators p.150	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURES	STATEMENT LOCATION	DIRECT ANSWERS AND OMISSION
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Priorities p.47	
	3-2 List of material topics	Sustainability Priorities p.47	
Human Rights			
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethics and Transparency p.44 Sustainability Priorities p.47 Human Rights p.100	
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	Risk and Opportunity Management p.28 Ethics and Transparency p.44 Human Rights p.100	There are no operations or suppliers identified where the freedom of association and collective bargaining may be at risk.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Risk and Opportunity Management p.29 Ethics and Transparency p.44 Responsible Procurement and Supply Chain Management p.77 Human Rights p.100	There are no operations or suppliers identified as having significant risk for child labor cases.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Risk and Opportunity Management p.29 Ethics and Transparency p.44 Responsible Procurement and Supply Chain Management p.77 Human Rights p.100	There are no operations or suppliers identified as having significant risk of forced or compulsory labor cases.
Employee Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Employee Health and Safety p.140	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Health and Safety p.140	
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Health and Safety p.140 Social Performance Indicators p.150	
	403-3 Occupational health services	Employee Health and Safety p.140	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health and Safety p.140	
	403-5 Worker training on occupational health and safety	Employee Health and Safety p.140 Social Performance Indicators p.150	
	403-6 Promotion of worker health	Employee Health and Safety p.140	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURES	STATEMENT LOCATION	DIRECT ANSWERS AND OMISSION
Employee Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Health and Safety p.140 Social Performance Indicators p.150	
	403-8 Workers covered by an occupational health and safety management system	Employee Health and Safety p.140 Social Performance Indicators p.150	
	403-9 Work-related injuries	Employee Health and Safety p.140 Social Performance Indicators p.150	
	403-10 Work-related ill health	Employee Health and Safety p.140 Social Performance Indicators p.150	
Driving Safety Practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Driving Safety Practices p.51	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Driving Safety Practices p.85 Our Products and Services p.13	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		No non-compliance cases related to health and safety impacts have been identified.
Compliance with National and International Standards			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Compliance with National and International Standards p.52	
Data Privacy and Cybersecurity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Data Privacy and Cybersecurity p.72	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Health and Safety p.79	No complaints regarding breaches of customer privacy or loss of customer data have been reported.
Compliance with Corporate Governance Principles			
GRI 3: Material Topics 2021	3-3 Management of material topics	Compliance with Corporate Governance Principles p.43 Sustainability Priorities p.47 Compliance Performance p.45	
Financial Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Economic Performance and Sustainable Products p.74	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURES	STATEMENT LOCATION	DIRECT ANSWERS AND OMISSION
Financial Performance			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance and Sustainable Products p.74 Economic Performance Indicators p.149	
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability-Oriented Risk and Opportunity Management p.29 Sustainability-Oriented Risk and Opportunity Assessment p.30 Impact and Vulnerability Assessment for Sustainability Risks and Opportunities p.41	
	201-3 Defined benefit plan obligations and other retirement plans	Compensation and Benefits p.104	
Climate Crisis			
GRI 3: Material Topics 2021	3-3 Management of the material topics	Sustainability Priorities p.47 Combating the Climate Crisis p.95	
Ethics and Transparency			
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethics and Transparency p.44 Sustainability Priorities p.47	
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Ethics and Transparency p.44	
	205-2 Communication and training about anti-corruption policies and procedures	Ethics and Transparency p.44 Social Performance Indicators s. 150	
	205-3 Confirmed incidents of corruption and actions taken	Ethics and Transparency p.44	
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics and Transparency p.44	
Brand Reputation and Loyalty			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability-Oriented Risk and Opportunity Management Sustainability Priorities p.29 Economic Performance and Sustainable Products p.74 Human Rights p.100 Social Impact Oriented Working Approach p.129	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance and Sustainable Products p.74 Economic Performance Indicators p.149	
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability-Oriented Risk and Opportunity Management p.29 Sustainability-Oriented Risk and Opportunity Assessment p.30 Impact and Vulnerability Assessment for Sustainability Risks and Opportunities p.41	
	201-3 Defined benefit plan obligations and other retirement plans	Compensation and Benefits p.104	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURES	STATEMENT LOCATION	DIRECT ANSWERS AND OMISSION
Brand Reputation and Loyalty			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		Confidentiality Constraints: Standard entry-level wages are not publicly disclosed as they contain sensitive information related to the company’s compensation policies and competitive advantage.
	202-2 Proportion of senior management hired from the local community	Social Performance Indicators p.150	
GRI 203: Dolaylı Ekonomik Etkiler 2016	203-1 Infrastructure investments and services supported	Social Impact Oriented Working Approach p.129	
	203-2 Significant indirect economic impacts	Social Impact Oriented Working Approach p.129	
Water and Wastewater Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Water and Wastewater Management p.95	
GRI 303: Water and Wastewater 2018	303-1 Interaction with water as a shared resource	Water and Wastewater Management p.95	
	303-2 Management of water discharge-related impacts	Water and Wastewater Management p.95	
	303-3 Water withdrawal	Water and Wastewater Management p.95 Environmental Performance Indicators p.155	
	303-4 Water discharge	Water and Wastewater Management p.95 Environmental Performance Indicators p.155	
	303-5 Water consumption	Water and Wastewater Management p.95 Environmental Performance Indicators p.155	
Customer Satisfaction and Experience			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Priorities p.47 Customer Satisfaction and Experience p.83 Customer Health and Safety p.85	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Customer Health and Safety p.83	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health and Safety p.83	No non-compliance cases related to health and safety impacts have been identified.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Health and Safety p.83	No complaints regarding breaches of customer privacy or loss of customer data have been reported.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURES	STATEMENT LOCATION	DIRECT ANSWERS AND OMISSION
Waste Management and Circular Economy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Waste Management and Circular Economy Practices p.92	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management and Circular Economy Practices p.92	
	306-2 Management of significant waste-related impacts	Waste Management and Circular Economy Practices p.92	
	306-3 Waste generated	Waste Management and Circular Economy Practices p.92 Environmental Performance Indicators p.155	
	306-4 Waste diverted from disposal	Waste Management and Circular Economy Practices p.92 Environmental Performance Indicators p.155	
	306-5 Waste directed to disposal	Waste Management and Circular Economy Practices p.92 Environmental Performance Indicators p.155	
Energy Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Energy Management p.90	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Performance Indicators p.155	
	302-2 Energy consumption outside of the organization	Environmental Performance Indicators p.155	
	302-3 Energy intensity	Environmental Performance Indicators p.155	
	302-4 Reduction of energy consumption	Environmental Performance Indicators p.155	
Air Quality and Emission Management			
GRI 3: Material Topics 2021	3-3 Management of the material topics	Sustainability Priorities p.47 Combating the Climate Crisis p.89 Air Quality Management and Emission Control p.91	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Combating the Climate Crisis p.83 Environmental Performance Indicators p.155	
	305-2 Energy indirect (Scope 2) GHG emissions	Combating the Climate Crisis p.83 Environmental Performance Indicators p.155	
	305-3 Other indirect (Scope 3) GHG emissions	Combating the Climate Crisis p.83 Environmental Performance Indicators p.155	
	305-4 GHG emissions intensity	Environmental Performance Indicators p.155	
	305-5 Reduction of (GHG) emissions	Environmental Performance Indicators p.155	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Performance Indicators p.155	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURES	STATEMENT LOCATION	DIRECT ANSWERS AND OMISSION
Electrical Vehicles and Battery Technologies			
GRI 3: Material Topics 2021	3-3 Management of the material topics	Sustainability Priorities p.47 Stakeholder Contribution and Communication s.51 Electrical Vehicles and Battery Technologies p.66	
GRI 302: Energy 2016	302-4 Reduction of energy consumption	Electrical Vehicles and Battery Technologies p.66 Environmental Performance Indicators p.155	
GRI 305: Emissions 2016	305-5 Reduction of (GHG) emissions	Electrical Vehicles and Battery Technologies p.66 Environmental Performance Indicators p.155	
Risk and Crisis Management			
GRI 3: Material Topics 2021	3-3 Management of the material topics	Sustainability Priorities s.47 Sustainability-Oriented Risk and Opportunity Management p.107	
Employee Development, Engagement and Communication			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.41 Employee Development, Engagement and Communication p.107	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Development, Engagement and Communication p.107 Social Performance Indicators p.150	
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development, Engagement and Communication p.107	
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Development, Engagement and Communication p.107 Social Performance Indicators p.150	
Responsible Supply Chain			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Responsible Procurement and Supply Chain Management p.77 Localization p.81	
GRI 204: Purchasing Practices 2016	204-1 Proportion of spending on local suppliers	Localization p.81 Economic Performance Indicators p.150	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Procurement and Supply Chain Management p.77	
	308-2 Negative environmental impacts in the supply chain and actionstaken	Responsible Procurement and Supply Chain Management p.77	No adverse environmental impacts were identified in the supply chain during the reporting period.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Procurement and Supply Chain Management p.77	
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Procurement and Supply Chain Management p.77	No adverse social impacts were identified in the supply chain during the reporting period.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURES	STATEMENT LOCATION	DIRECT ANSWERS AND OMISSION
Social Impact Oriented Working Approach			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Priorities p.47 Social Impact Oriented Working Approach p.129	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Human Rights p.100 Social Impact p.130	No cases of violations involving the rights of indigenous peoples have been identified.
GRI 413: Local Communities 2016	413-1 Operations with local communityengagement, impact assessments, and developmentprograms	Social Impact p.130 Social Performance Indicators p.150	
	413-2 Operations with significant actual andpotential negative impacts on local communities	Human Rights p.100 Social Impact p.130	There are no activities identified with significant actual or potential negative impacts on local communities.
Sustainable Governance and Communication			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Our Sustainable Governance and Effective Communication Strategy p.51	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Our Sustainable Governance and Effective Communication Strategy p.51 Social Dialogue p.51 Stakeholder Engagement and Communication p.51	
Sustainable Innovation and Digitalization			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Digitalization, R&D and Innovation-Oriented Effects p.58	
Product Life Cycle			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Product Life Cycle Analysis p.92	
Equal Opportunity, Diversity and Inclusion			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Human Rights p.100 Employee Development, Engagement and Communication p.107 Equal Opportunity, Diversity and Inclusion p.122 Board Diversity and Independence p.128	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits p.104	
	401-3 Parental Leave	Employee Well-Being p.93 Participation of Female Employees in the Workforce p.126 Social Performance Indicators p.150	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURES	STATEMENT LOCATION	DIRECT ANSWERS AND OMISSION
Equal Opportunity, Diversity and Inclusion			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board Diversity and Independence p.128	Confidentiality Constraints: The pay ratio between female and male employees is not publicly disclosed as it contains sensitive information regarding the company's compensation policies and strategies.
	405-2 Ratio of basic salary and remuneration of women to men		
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Ethics and Transparency p.44	
Biodiversity Protection			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Biodiversity Protection p.98	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Protection p.98	
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity Protection p.98	
	304-3 Habitats protected or restored	Biodiversity Protection p.98	
	304-4 IUCN Red List species and nationalconservation list species with habitats in areas affectedby operations	Biodiversity Protection p.98	
Stakeholder Engagement			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Stakeholder Engagement and Communication p.51	
Opportunity Management and Responsible Investment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Responsible Procurement and Supply Chain Management p.77	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability-Oriented Risk and Opportunity Management p.29 Sustainability-Oriented Risk and Opportunity Assessment p.30 Impact and Vulnerability Assessment for Sustainability Risks and Opportunities p.41	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Our Business Continuity and Crisis Control Approach at TEMSA p. 42	
	203-2 Significant indirect economic impacts	Social Impact Oriented Working Approach p.129	
Logistic Management Practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Sustainable Logistic Management Practices p. 81	
Nature-Based Practises			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.47 Nature-Based Approaches p.97	

UNGC PROGRESS INDEX

ISSUES	GLOBAL PRINCIPLES	REFERENCE
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Social Dialogue Social Impacts and Human-Oriented Organization
	Principle 2: make sure that they are not complicit in human rights abuses.	Social Dialogue Social Impacts and Human-Oriented Organization
	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Social Dialogue Social Impacts and Human-Oriented Organization
Labour Standards	Principle 4: the elimination of all forms of forced and compulsory labour.	Social Impacts and Human-Oriented Organization Responsible Procurement and Supply Chain Management Customer Satisfaction and ExperienceHuman Rights
	Principle 5: the effective abolition of child labour; and	Responsible Procurement and Supply Chain Management Human Rights
	Principle 6: the elimination of discrimination in respect of employment and occupation.	Social Impacts and Human-Oriented Organization Equal Opportunity, Diversity and Inclusion
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Environmental Impacts and Sustainable Operations Compliance Performance
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	Environmental Impacts and Sustainable Operations
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Digitalization, R&D and Innovation-Oriented Impacts Environmental Impacts and Sustainable Operations
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Ethics and Transparency Compliance Performance Responsible Procurement and Supply Chain Management Customer Satisfaction and Experience



CONTACT

**TEMSA SKODA SABANCI Transportation Vehicles Inc.
(TEMSA)**

Sarihamzalı Mahallesi Turhan Cemal Beriker Bulvarı
No:563/A 01110 Seyhan/ADANA

Report Contact

Kerem İpek

Işık Sare Taş

surdurulebilirlik@temsa.com

Sustainability Reporting and Design Advisory

COD Value Sustainability Consulting / codvalue.com

Newly Studio / newlystudio.com

LEGAL NOTICE

The information and analyses included in the TEMSA Sustainability Report (hereinafter shall be referred to as the "Report") have been compiled from resources and information deemed as accurate and reliable within the time frame when the report was prepared, for informative purposes only and in accordance with GRI standards. It is not intended to constitute the basis for any investment decision.

TEMSA and its managers, employees, and other persons and organizations who contributed to the drafting of this report cannot be held responsible for the damages that may arise from the use of the information contained herein. All rights with regard to this Report, in particular the rights arising from the intellectual property law, shall belong to TEMSA. The Report is prepared in digital environment and is not printed.

