

## Appendix-1: Temsa 2022 Sustainability Report- Reporting Principles

This reporting principle (the “Principles”) provides information on the data preparation and reporting methodologies of indicators within the scope of the limited assurance in the Temsa Skoda Sabancı Ulaşım Araçları A.Ş.’s (the “Company” or “Temsu”) Temsa Sustainability Report 2022 (“Sustainability Report”).

The indicators include **social indicators**, **environmental indicators**, and **economic indicators**. It is the responsibility of the Company’s management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the Principles.

The data included in this guideline is for the FY 22 (1 January – 31 December 2022), fiscal year ended December 31, 2022, and as detailed in the “Key Definitions and Reporting Scope” section comprises only the relevant operations of the Company.

### General Reporting Principles

In preparing this document, consideration has been given to following principles:

- Information Preparation – to highlight to users of the information the primary principles of relevance and reliability of information; and
- Information Reporting – to highlight the primary principles of comparability / consistency with other data including prior year and understandability / transparency providing clarity to users.

### Key Definitions and Reporting Scope

For the purpose of this report, the Company defines:

| Type              | Indicator                             | Scope   |
|-------------------|---------------------------------------|---|
| Social Indicators | <b>Occupational Health and Safety</b> |   |
|                   | Number of Incidents (#)               | This indicator indicates the total number of accidents which occurred during a work-related activity of the employee and monitored through notifications made to the Social Security Institution during the reporting period.   |
|                   | Number of Fatalities (#)              | This indicator reflects the number of fatal accidents resulted in deaths which occurred during a work-related activity of the employee and monitored through notifications made to the Social Security Institution during the reporting period.   |
|                   | Number of Occupational Diseases (#)   | This indicator reflects the total number of occupational diseases that refer to temporary or permanent illness, physical or mental disability, which occur due to the nature of the work, or the operating conditions of the business. This is followed up through notifications made to the Social Security Institution during the reporting period.   |
| Social Indicators | Injury-related Absenteeism (#)        | This indicator refers to absenteeism as a result of accidents that are machine/equipment collision, uncontrolled material movement, cutting with blades, getting stuck between machine equipment, falling/sliding/ tripping, car crashes, landings, rubbing, getting stuck between car and equipment, resulting loss of working days and followed up through notifications made to the Social Security Institution during the reporting period. |

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|   | Total Working Hours (h)  | This indicator reflects total working hours of the employees that is tracked by Human Resources of the Companies during the reporting period.   |
|   | Lost Day Rate (%)  | This indicator means the rate of lost workdays due to work accidents that are machine/equipment collision, uncontrolled material movement, cutting with blades, getting stuck between machine equipment, falling/sliding/ tripping, car crashes, landings, rubbing, getting stuck between car and equipment, and monitored through notifications made to the Social Security Institution during the reporting period. |
|   | OHS Training Hours (h)   | This indicator represents the total hours of the OHS trainings, delivered to the employees and sub-contractors, that is tracked monitored through the training tracking platform of Human Resources of the Companies during the reporting period.   |
| <b>Total Number of Employees</b>        |  |   |
|   | Total Number of Employees (#)  | This indicator means the total number of female and male employees who were monitored through Human Resources and were reported to the Social Security Institution.   |
| <b>Distribution of Female Employees</b> |  |   |
|   | Female Employees' Rate (%)   | This indicator means the ratio of the total number of female employees of the Company to the total number of employees during the reporting period.   |
| Social Indicators                       | Distribution of Female Managers (%)                                  | This indicator represents the ratio of the female managers (N-1; executive level who directly reports to the CEO, N-2; middle level which is two degrees away from CEO and N-3; managerial level is three degrees away from CEO) during the reporting period.   |
|   | Share of Women Managers in Revenue-Generating Roles (%)              | This indicator means the ratio of the female managers worked in the roles that have an impact on the Companies revenue directly. Revenue-generating roles defined as the roles that when vacant, no revenue is generated.   |
|   | Share of Women Employees in STEM Roles (%)                           | This indicator represents the ratio of female employees worked in STEM (Science, Technology, Engineering, Mathematics) roles and tracked by Human Resources of the Companies during the reporting period.   |
|   | Total Number of Employees on Maternity Leave (#)                     | This indicator means the number of female employees on maternity leave within the periods specified in the regulation and tracked by Human Resources of the Companies during the reporting period.  |
|   | Total Number of Employees on Paternity Leave (#)                     | This indicator means the number of male employees on paternity leave within the periods specified in the regulation and tracked by Human Resources of the Companies during the reporting period.  |
|   | Total Number of Employees Returned to Work After Maternity Leave (#) | This indicator means the number of female employees returned to work after maternity leave and tracked by Human Resources of the Companies during the reporting period.   |

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|  | Total Number of Employees Returned to Work After on Paternity Leave (#) | This indicator means the number of male employees returned to work after paternity leave and tracked by Human Resources of the Companies during the reporting period.  |
|  | Ratio of the Employees who Returned to Work After Maternal Leave (%)    | This indicator represents the ratio of the females left and returned to work after maternal leave during and tracked by Human Resources of the Companies the reporting period.   |
| Social Indicators                      | <b>Trainings</b>  |  |
|  | Total Hours of Trainings by Gender (h)                                  | This indicator reflects the total hours of training provided to employees that is monitored through the training tracking platform of Human Resources during the reporting period.   |
|  | Total Hours of Trainings by Age (h)                                     | This indicator reflects the total hours of training provided to the employees that is monitored through the training tracking platform of Human Resources during the reporting period. It is tracked by age groups as under 30, between 30 and 50, and over 50.  |
|  | Total Hours of Trainings by Managerial Level (h)                        | This indicator reflects the total hours of training provided to the managers that is monitored through the training tracking platform of Human Resources during the reporting period. It is tracked by managerial levels as N-1, N-2 and N-3.  |
|  | Total Hours of Trainings by training types (h)                          | This indicator reflects the total hours of training provided to the employees that is monitored through the training tracking platform of Human Resources during the reporting period. It is tracked by types (ethics, diversity and inclusion, sustainability and environment and anti-bribery and corruption). |
|  | Total Training Cost (TL)  | This indicator reflects the total costs of the trainings provided to the employees that is monitored through the training tracking platform of Human Resources during the reporting period.  |
|  | Average Training Costs per Person (TL)                                  | This indicator reflects the average training costs per employee during the reporting period.   |
| <b>Total Number of Employees Hired</b> |   |  |
|  | Number of Employees Hired by Gender (#)                                 | This indicator reflects the total number of female and male employees hired and declared to the Social Security Institution with the Employment Declaration during the reporting period.   |
|  | Number of Employees Hired by Age (#)                                    | This indicator reflects the total number of employees hired and declared to the Social Security Institution with the Employment Declaration during the reporting period. It is tracked by age groups as under 30, between 30 and 50, and over 50.  |
|  | Number of Employees Hired by Managerial Level (#)                       | This indicator reflects the total number of managers hired and declared to the Social Security Institution with the Employment Declaration during the reporting period. It is tracked by the managerial levels as N-1, N-2 and N-3.  |

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| <b>Total Number of Employees Left</b>  |   |  |
|  | Number of Employees Left by Gender (#)                            | This indicator reflects the total number of female and male employees left and declared to the Social Security Institution of the Companies with the Declaration of Leaving Employment during the reporting period.  |
|  | Number of Employees Left by Age (#)                               | This indicator reflects the total number of employees left and declared to the Social Security Institution of the Companies with the Declaration of Leaving Employment during the reporting period. It is tracked by age groups as under 30, between 30 and 50, and over 50.   |
|  | Number of Employees Left by Managerial Level (#)                  | This indicator reflects the total number of managers left and declared to the Social Security Institution of the Companies with the Declaration of Leaving Employment during the reporting period. It is tracked by managerial levels N-1, N-2 and N-3 .   |
| <b>Turnover Rates</b>                  |   |  |
| Social Indicators                      | Turnover Rates by Gender (%)                                      | This indicator means the ratio of the number of employees who quit their jobs declared by the Companies to the Social Security Institution with the Declaration of Leaving Work to the total number of employees within the reporting period. It is monitored in gender breakdown.   |
|  | Turnover Rates by Age (%)   | This indicator means the ratio of the number of employees who quit their jobs declared by the Companies to the Social Security Institution with the Declaration of Leaving Work to the total number of employees within the reporting period. It is monitored in age breakdown as under 30, between 30 and 50 and over 50. |
|  | Turnover Rates by Managerial Level (%)                            | This indicator means the ratio of the number of managers who quit their jobs declared by the Companies to the Social Security Institution with the Declaration of Leaving Work to the total number of managers within the reporting period. It is monitored in managerial level breakdown as N-1, N-2 and N-3.             |
|  | People Reached Through Inclusion Programs in Reporting Period (#) | It refers to the number of people of the vulnerable groups (elderly, youth, women, socioeconomically disadvantaged people and disabled people, etc.) reached by the Company through inclusion programs during the reporting period.  |
| <b>Energy Consumption by Fuel Type</b> |   |  |
| <b>Total Energy Consumption (MWh)</b>  |   |  |

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| Environmental Indicators | Natural Gas Consumption (m <sup>3</sup> ) | This indicator reflects the total purchased natural gas (volume – m <sup>3</sup> ) consumption used for heating, cooking and other business operations that require natural gas, at the relevant locations of the Company during the reporting period. It is reported in MWh.  |
|                          | Diesel Consumption (L)                    | This indicator reflects the total purchased diesel (volume – l) consumption used for generators and company-owned cars at the relevant locations of the Company during the reporting period. It is reported in MWh.  |
|                          | Diesel Consumption in Process (L)         | This indicator reflects the consumption of diesel purchased for the purpose of generator use in the Company's relevant locations and the total diesel consumption for company-owned vehicles, excluding diesel consumed for generators. Diesel consumption is reported in liters (L)."   |
|                          | Coal (Ton)                                | This indicator reflects the total purchased coal (by weight – tones) consumption used for heating at the relevant locations of the Company during the reporting period.  |
|                          | Fuel-Oil ( m <sup>3</sup> )               | This indicator reflects the total purchased fuel-oil (by weight – tones) consumption used for heating at the relevant locations of the Company during the reporting period.  |
|                          | Gasoline (L)                              | This indicator reflects the total purchased gasoline (volume – l) consumption used for company-owned cars at the relevant locations of the Company during the reporting period. It is reported in MWh.   |
|                          | LPG (kg)                                  | This indicator reflects the total purchased LPG consumption used for company-owned cars at the relevant locations of the Company during the reporting period. It is reported in kg.  |
|                          | LNG (L)                                   | This indicator reflects the total purchased liquified natural gas (volume – l) consumption used for heating, cooking and other business operations that require natural gas, at the relevant locations of the Company during the reporting period. It is reported in liter.  |
|                          | CNG (m <sup>3</sup> )                     | This indicator reflects the total purchased compressed natural gas (volume – l) consumption used for heating, cooking and other business operations that require natural gas, at the relevant locations of the Company during the reporting period. It is reported in m <sup>3</sup> .   |
| Environmental Indicators | Petroleum Coke (ton)                      | This indicator refers to the petroleum coke (by weight – tones) consumption used for business operations at the relevant locations of the Company during the reporting period. It is reported in MWh.  |
|                          | Electricity Consumption (MWh)             | This indicator reflects the total purchased electricity consumption used for air conditioning, lighting, electrical equipment uses and other business operations that require electricity, at the relevant locations of the Company during the reporting period. It is reported in MWh.  |
|                          | Purchased Heat/Steam/Cooling (kg)         | Purchased in the reporting period means the amount of R22 and other gases such as SF6, R407C, R134A, R410A and CO <sub>2</sub> purchased by the Company and the amount of refrigerant gas consumed for cooling purposes. It is reported in kg. Gases has been calculated based on maintenance/repair forms and related invoices. |

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|  | Sold Heat/Steam/Cooling (kg)  | This indicator represents the amount of steam, cooling gasses, heat, electricity sold by the Company during the reporting period. Sold energy is reported in MWh.  |
| <b>Share of Renewable Energy Consumption in Total Energy Consumption</b> |   |  |
|  | Renewable Energy Generation (MWh)                                     | It represents the total of renewable energy sourced electricity produced by the Company during the reporting period. It is reported in MWh.  |
|  | Renewable Energy Consumption (MWh)                                    | This represents the Companies renewable energy consumption figures by the end of the reporting period. It is reported in MWh.  |
|  | Purchased Renewable Energy (MWh)                                      | It represents the total purchased renewable energy (by I-REC, YEK-G certificates etc.) during the reporting period. It is reported in MWh.   |
| <b>Intensity Indicators</b>  |   |  |
|  | Energy intensity (MWh/ Million TL)                                    | It means energy consumption per revenue-million TL within the reporting period. It is reported in MWh/Million TL.  |
|  | Greenhouse Gas Emission Intensity (ton CO <sub>2</sub> e/million TL)  | It means greenhouse gas emissions per revenue-million TL within the reporting period. It is reported in tonCO <sub>2</sub> e/million TL.   |
|  | Total Yearly Business Air Travel in Kilometers (km)                   | It means the total kilometers of air travels made by the Company employees during the reporting period.  |
|  | Total Yearly Employee Commuting in Kilometers (km)                    | It means the total kilometers covered by the services provided for the Company employees during the reporting period.  |
|  | Share of Renewable Energy Consumption in Total Energy Consumption (%) | It means the energy consumption ratio which is obtained by dividing the Company's total renewable energy consumption by the total energy consumption.  |
| <b>Greenhouse Gas Emissions (ton CO<sub>2</sub>e)</b>                    |   |  |
|  | Scope 1 (tCO <sub>2</sub> e)  | This indicator reflects the emissions of greenhouse gases due to the use of natural gas, diesel, gasoline consumption, SF <sub>6</sub> and refrigerant gases and fire extinguishing devices at the relevant locations of the |

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|                          |  | Company during the reporting period. It is reported in tonCO <sub>2</sub> e on a consolidated basis.   |
|                          | Scope 2 (tCO <sub>2</sub> e)<br>(Location Based)   | This indicator reflects the emissions of greenhouse gases due to the use of purchased electricity at the relevant locations of the Company during the reporting period. It is reported in tonCO <sub>2</sub> e on a consolidated basis. Scope 2 emissions are disclosed as location based. |
|                          | Scope 2 (tCO <sub>2</sub> e)<br>(Market Based)     | This indicator reflects the emissions of greenhouse gases due to electricity purchased by the Company's relevant locations, which is not certified with renewable energy certificates (such as I-REC, YEK-G, etc.) or not derived from renewable sources.                                  |
|                          | Scope 3 (tCO <sub>2</sub> e)                       | This indicator reflects the emissions of greenhouse gases due to business travel and employee commuting during the reporting period. It is reported in tonCO <sub>2</sub> e on a consolidated basis.   |
| <b>Water Consumption</b> |  |  |
|                          | Water Consumption (m <sup>3</sup> )                | This indicator reflects the total water consumption by source (volume – m <sup>3</sup> ) as mains water, fresh water, well water, third party sources, reused water at the relevant locations of the Company during the reporting period. It is reported in m <sup>3</sup> .               |
|                          | Total Amount of Discharged Water (m <sup>3</sup> ) | This indicator reflects the total water discharge by source (volume – m <sup>3</sup> ) at the relevant locations of the Company during the reporting period. It is reported in m <sup>3</sup> .  |
|                          | Water Recycled and Reused (%)                      | This indicator represents the ratio of the amount of water reused-recycled to the total consumed water in the reporting period. It is reported in m <sup>3</sup> .   |
| <b>Waste</b>             |  |  |
|                          | Percentage of waste reused and recycled (%)        | It represents the ratio of the amount of waste recycled in the reporting period to the total amount of hazardous and non-hazardous waste.  |
|                          | Hazardous Waste (ton)                              | It means the amount of hazardous waste where the Companies operations take place during the reporting period. It is reported in ton.   |
|                          | Non-Hazardous Waste (ton)                          | It means the amount of non-hazardous waste where the Companies operations take place during the reporting period.  |
|                          | Total waste (ton)                                  | It means the total amount of hazardous and non-hazardous waste generated as the Companies operations take place during the reporting period.   |
|                          | Recycled waste (ton)                               | It means the total amount of recycled waste during the reporting period.   |
|                          | Plastic consumption (ton)                          | Total plastic consumption is followed up with invoices; represents the consumption amount of plastic products, pet bottles, bags and plastic packaging.  |

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| Economic Indicators                               | <b>Sustainable Business Model</b>                     |   |
|   | Number of SDG-linked Products and Services (#)        | It refers to the number of mitigation (Products that directly reduce resource use or carbon emissions. Includes activities that are considered unquestionably sustainable.), transition (Products and services that are not considered entirely environmentally friendly in nature, but can be considered as a transition to more sustainable technologies, such as cement and rubber products produced using alternative raw materials and/or fuels.) and enabler (Products that are not considered as direct source/carbon emission reduction activities, but facilitate the dissemination of related technologies.) products and services offered by the Company during the reporting period that provide environmental and social benefits. |
|   | SDG-linked Product and Service Revenue (TL)           | It refers to the income obtained from the products and services offered by the Company during the reporting period, which provide environmental and social benefits, and have a mitigation, transitional and facilitating nature. It is reported as TL.   |
|   | R&D and Innovation Investments (TL)                   | It refers to the R&D and innovation investments of the Company made during the reporting period. It is reported as TL.  |
|   | SDG-Linked R&D and Innovation Investments (TL)        | It refers to the sustainability-oriented R&D and innovation investments of the Company made during the reporting period. It is reported as TL.  |
|   | Ratio of SDG-Linked R&D and Innovation Activities (%) | It refers to the ratio of sustainability linked R&D and innovation investments in the Companies investment budget to total R&D and innovation investment during the reporting period.   |
| <b>Environmental Investments and Expenditures</b> |   |   |

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| Economic Indicators | Environmental Investments by Type (TL)                        | It refers to the mitigation (Products that directly reduce resource use or carbon emissions. Includes activities that are considered unquestionably sustainable.), transition (Products and services that are not considered entirely environmentally friendly in nature, but can be considered as a transition to more sustainable technologies, such as cement and rubber products produced using alternative raw materials and/or fuels.) and enabler (Products that are not considered as direct source/carbon emission reduction activities, but facilitate the dissemination of related technologies.) environmental investments carried out by the Company during the reporting period that provide environmental and social benefits. It is reported as TL. |
|                     | Savings and Reduction Based on Environmental Investments (TL) | It refers to the financial savings and environmental/social benefits through SDG-linked investments and/or operations during the reporting period. It is reported as TL.  |
|                     | Environmental Expenditures by Type (TL)                       | It refers to expenditures that are legally required and not legally required in the reporting period. It is reported as TL.   |

## **Data Preparation**

### **Social Indicators**

#### *Occupational Health and Safety (OHS) Indicators*

The number of incidents and fatalities are checked by the SGK declarations. There were 13 incidents, no occupational disease cases and no fatalities were reported during the relevant period.

The following definitions and formulas are used in the calculation of occupational health and safety indicators.

#### *Formulas:*

Lost Days Rate = Accidental Absence / Total Working Hours \* 200,000

#### *Distribution of Female Employees Data*

The total number of employees represents the total number of employees that the companies have as of the end of the reporting year and that are based on the information included in the annual reports or human resources systems published as of 31 December 2022.

The following definitions and formulas are used in the calculation of female employee distribution indicators.

#### *Formulas:*

Female Employees' Rate = Number of Female Employees / Total Number of Employees

#### *Distribution of Female Managers*

Managerial levels in the scope are defined as N-1, N-2 and N-3. N-1 level is an executive level who directly reports to the CEO. N-2 level is defined as the middle level which is two degrees away from CEO. Similarly, N-3 is a managerial level is three degrees away from CEO.

*Formulas:*

Ratio of female managers (N-1) = number of N-1 level female managers / total number of N-1 level managers

Ratio of female managers (N-2) = number of N-2 level female managers / total number of N-2 level managers

Ratio of female managers (N-3) = number of N-3 level female managers / total number of N-3 level managers

**Distribution of Female Managers in Revenue-Generating Roles**

Revenue-generating roles defined as the roles that when vacant, no revenue is generated.

*Formulas:*

Share of Women Managers in Revenue-Generating Roles = number of female managers in revenue-generating roles / total number of managers in revenue-generating roles

**Distribution of Female Employees in STEM Roles**

STEM roles are directly related to Science, Technology, Engineering and Mathematics.

*Formulas:*

Share of Women Employees in STEM Roles = Number of female employees in STEM roles / total number of employees in STEM roles

**Parental Leaves**

Parental leaves include maternity and paternity leaves during the reporting period.

*Formulas:*

Ratio of the Employees who Returned to Work After Maternal Leave = Number of employees returned from maternity leaves / Number of employees left due to maternity leave Trainings:

It represents the trainings provided to the employees during the reporting period. Total training hours is divided into four sub-categories. Total training hours by gender (female and male), by age (under 30, between 30 and 50, over 50), by managerial levels (N-1, N-2 and N-3), by training types (ethics, diversity and inclusion, sustainability and environment and anti-bribery and corruption).

Total cost of the trainings represents the total cost of all the trainings provided by the Companies to their employees.

*Formulas:*

Average Training Costs per Employee = Total cost of all the trainings / the number of employees

**Total Number of Employees Hired**

The number of employees hired during the reporting period is divided into three categories as gender (female and male), age (under 30, between 30 and 50, over 50) and managerial level (N-1, N-2 and N-3).

**Total Number of Employees Left**

The number of employees left during the reporting period is divided into three categories as gender (female and male), age (under 30, between 30 and 50, over 50) and managerial level (N-1, N-2 and N-3).

## Turnover Rates

### *Formulas:*

Turnover rates by gender:

- Number of female employees left / total number of female employees
- Number of male employees left / total number of male employees

Turnover rates by age:

- Number of employees under 30 left / total number of employees under 30
- Number of employees between 30 and 50 left / total number of employees between 30 and 50
- Number of employees over 50 left / total number of employees over 50

Turnover rates by managerial level:

- Number of managers (N-1) left / total number of managers (N-1)
- Number of managers (N-2) left / total number of managers (N-2)
- Number of managers (N-3) left / total number of managers (N-3)

## People Reached Through Inclusion Programs in Reporting Period

Sensitive groups reached in 2022 include young people who benefit from university, vocational high school, summer internship programs, workplace training, the foundation for children with leukemia and inclusiveness of disabled people in recruitment process of Temsa.

## Environmental Indicators

### *Energy Consumption by Fuel Type*

Natural gas, diesel, fuel-oil, gasoline, CNG and electricity are reported. The data is obtained with the meter, invoice, receipt and maintenance-repair forms of the service providers.

Company use the following conversion factors in their energy consumption calculations:

- Since the electricity supply unit is billed in kWh, a conversion factor of  $1 \text{ kWh} = 0.0036 \text{ GJ}$  is used for conversion to GJ;
- Since the natural gas supply unit is billed in  $\text{m}^3$ , a conversion factor  $[1\text{m}^3 * (34.52) \text{ MJ/m}^3]/1000$  is used;
- Since the diesel supply unit is billed in liters, the conversion factor  $[1\text{l} * (35.42) \text{ MJ/l}]/1000$  is used for conversion to GJ;
- Since the gasoline supply unit is billed in liters, the conversion factor  $[1\text{l} * (31.98) \text{ MJ/l}]/1000$  is used for conversion to GJ;
- Since the unit of all fuel consumption is reported as MWh, a conversion factor of  $1\text{GJ} = 0.277777 \text{ MWh}$  is used for conversion to GJ.

### *Purchased Heat/Steam/Cooling Gas*

The amount of refrigerant consumed for cooling purposes is reported within the scope of purchased heat/steam/cooling indicator. For this indicator, the total amount of R22 and R410A gases have been calculated based on leakage release factor (0.15) given by the carbon consultant of the Company. Total consumption amount for CO<sub>2</sub> gas was obtained from the provider.

### *Formulas:*

Amount of Refrigerant released = Total Amount in the inventory \* Release Factor

### *Greenhouse Gas Intensity and Energy Intensity (tCO<sub>2</sub>-e / million TL)*

Greenhouse gas intensity was calculated by dividing the sum of scope 1 and 2 emissions by the total million TL revenues in the reporting period.

Energy intensity was calculated by dividing the total energy consumption by the total million TL revenues in the reporting period.

Total TL income refers to the combined revenue of the Group which subjected to the Sabancı Holding Annual Report.

*Formulas:*

Greenhouse Gas Intensity =  $t\ CO_2\text{-e} / \text{Revenues in million TL}$

Energy Intensity =  $\text{Total energy consumption} / \text{Revenues in million TL}$

#### *Share of Renewable Energy Consumption in Total Energy Consumption*

Renewable energy consumption refers to the renewable energy sourced electricity consumption purchased by the Company.

Renewable energy consumption is followed by YEK-G certificates. (Renewable Energy Resource Guarantee System)

*Formulas:*

Share of Renewable Energy Consumption in Total Energy Consumption =  $\text{Renewable Energy Consumption} / \text{Total Energy Consumption}$

#### *Total Yearly Business Air Travel in Kilometers*

It represents the total kilometers of air travels made by the Company's employees during the reporting period. Company is followed up with the information provided by the tourism agency they work for.

#### *Total Yearly Employee Commuting in Kilometers*

It represents the total kilometers covered by the services provided for the Company employees during the reporting period. These data are followed in line with the information shared by the tourism agency which the Company works with.

#### *Scope 1, 2 and 3 Emissions*

Scope 1, Scope 2 and Scope 3 emissions have been calculated in accordance with ISO 14064-1, with the principle of operational control within the framework of the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard".

In the calculations, CO<sub>2</sub> equivalent factors consisting of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs (SF<sub>6</sub> and refrigerant gas) CO<sub>2</sub> equivalent emission factors were used. The emission factors used are detailed in the table below. Global Warming Potential (GWP) coefficients are from 5th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and Greenhouse Gas Protocol (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>) and the resultant ton CO<sub>2</sub>-e value is calculated by multiplying with the appropriate coefficients.

| <b>Emission sources – Scope 1</b> | <b>Emission Calculation Methodology</b>  |
|-----------------------------------|--|
| Stationary                        | IPCC 2006 guidelines, fuel NCV and density values are from regulations published by Energy Ministry. IPCC GWP coefficients are from 5 <sup>th</sup> assessment Report. |
| Mobile                            | IPCC 2006 guidelines, fuel NCV and density values are from regulations published by Energy Ministry. IPCC GWP coefficients are from 5 <sup>th</sup> assessment Report. |
| Fugitive                          | IPCC 2006 guidelines. IPCC GWP coefficients are from 5 <sup>th</sup> assessment Report.  |
| Processes                         | IPCC guidelines, Global Cement and Concrete Association – Cement CO <sub>2</sub> and Energy Protocol V3.1, Cement Sustainability Initiative.                           |
| <b>Emission Factors – Scope 2</b> | <b>Ton CO<sub>2</sub>-e/MWh</b>  |
| Turkey Electricity (from grid)    | IEA Emissions Factors 2022, TEIAS 2022 published data for electricity generation.  |

| <b>Emission Factors – Scope 3 (Holding)</b>              | <b>kgCO<sub>2</sub>-e/km</b>       |
|--|------------------------------------|
| Business Travels (Domestic Flights) (km)                 | DEFRA 2021 GHG conversion factors. |
| Business Travels (International Flights - Europe) (km)   |                                    |
| Business Travels (International Flights – Overseas) (km) |                                    |
| Personnel Services (km)                                  |                                    |

### *Water Consumption*

Consumption data for the total water withdrawal and water discharge indicators are obtained by dividing the unit price over the TL amount of the service providers' invoices. Within the scope of this criterion, the total consumption used as mains water is evaluated as discharged water.

### *Waste*

Hazardous wastes are defined as wastes containing substances that are dangerous for human health and the environment and that have the potential to be harmful, while non-hazardous wastes are defined as wastes that do not cause any harm to human health and the environment. The total amount of hazardous waste and non-hazardous waste is tracked through the waste declaration forms.

The amount of recycled waste refers to the amount of waste that goes to the Company's waste site or is recycled by itself or another organization, recovered for energy purposes and reused. It is followed through the waste declaration forms.

### *Formulas:*

Reused / recycled waste ratio = Amount of Recycled Waste / (Total Hazardous Waste + Total Non-Hazardous Waste)

## **Economic Indicators**

The following definitions and formulas are used in the calculation of economic indicators.

### *Sustainable Business Model*

Products and services identified as sustainable are;

- Products and services that provide benefits related to the direct reduction of environmental resources / carbon emissions (mitigation),
- Products and services related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable in nature (transition),
- Products and services that are not considered as direct source / carbon emission reduction activities, but facilitate the dissemination of related technologies (enabler)
- Grouped as products and services that create positive social impact.

Revenues from products and services were obtained through product-based sales lists, and total revenue from related product types was reported within the scope of this indicator.

Within the scope of the ratio of SDG-linked product and service revenues to total revenues, total TL revenues represent the total revenues of the companies as of the end of the reporting year, which are stated in the annual reports published as of 31 December 2022 or in the financial reports subject to independent audit.

The total amount reported within the scope of R&D and innovation investment consists of the investments made within the approved budget of the Company. Amounts reported under R&D and innovation investments represent the total revenue figures of the Companies stated in the annual reports published as of 31 December 2022 or in the financial reports subject to independent audit. The total amount reported within the scope of sustainability-oriented R&D and innovation investment represents the sustainability-oriented investments included in the Companies approved R&D and innovation investment budget.

The number of sustainable products consists of 7 products that are considered as mitigation. The products considered within the scope of mitigation products are sustainable electric vehicle models produced by the Company, monitored by the relevant product catalogs and sales invoices. The balance reported within the R&D and innovation investments includes the R&D projects capitalized in the 2022 financial year. Total income for Temsa has been obtained from internal financial reports.

### *Formulas:*

Ratio of SDG-linked Product and Service Revenues to Total Revenue = SDG-linked Product and Service Revenues / Total Revenue

Ratio of All R&D and Innovation Investment to Total Revenue = R&D and Innovation Investment / Total Revenue

Ratio of SDG-linked R&D and Innovation Investment to Total Revenue = SDG-linked R&D and Innovation Investment / Total Revenue

### *Savings and Reduction Based on Environmental Investments*

Environmental and financial savings are consisted of LED projects and heat insulation projects realized in 2022. Savings in m<sup>3</sup> is calculated by dividing kwh savings to 10.64.

### *Environmental Investments and Expenditures*

Environmental investments are reported as mitigation investments. The total amounts reported in these indicators are constituted by the expenditures made. Expenditures are mitigation investments that directly reduce resource use or carbon emissions. It includes the production and sales of Sustainable Electric Vehicles.

The total amounts reported in these indicators are constituted by the expenditures made within the approved budget of the Company.

### **Restatement**

The measuring and reporting of sustainability-related data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Company level