TEMSA 2021 SUSTAINABILITY REPORT

About Our Report

At Temsa Skoda Sabancı Transportation Vehicles Inc. (TEMSA), we share our environmental, social, and governance (ESG) performance through our sustainability report, which we published for the second time this year.

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards. In the report, we shared our vision, strategic management approach, and best practices, focusing on our sustainability activities and future targets.

We also included our contributions to the UN Sustainable Development Goals (SDGs) with our sustainability priorities.

While determining our sustainability priorities, we considered the GRI Standards and SASB (Sustainability Accounting Standards Board) 2018 Automobiles Standard indicators. The standard covers passenger cars, public transport vehicles, light trucks, and motorcycles.

The report includes our performance results from January 1 to December 31, 2021, as well as the results of our best practices for 2021. In addition, the report includes, without limitation, information concerning our production facility in Adana as well as our domestic and international sales and marketing activities. During the reporting process, we received validation in accordance with the International Standard on Assurance Engagements (ISAE 3000 Revised), for selected environmental, social, and economic performance indicators that serve long-term target areas for 2021.

Please send all your questions, comments, and suggestions about the report to **sustainability@temsa.com.**

TEMSA 2020-2021 Almanac

(GRI 102-46, 102-50)

Text — You can access the relevant links by clicking on the underlined texts throughout the report.

You can access any section of the report via the navigation menu on each page.

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

The entire table of contents is linked to the relevant topics. You can directly access any page by clicking on the relevant title on the Table of Contents.

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MESSAGES TO OUR STAKEHOLDERS

Chairman's Message

At TEMSA, we are leveraging our expertise to develop sustainable and smart transportation technologies that will shape the future of modern urbanization and smart public transportation; and we are substantially contributing to our country's economy by increasing our exports with innovative and high-quality products.

Dear Stakeholders,

Since the beginning of 2020, the Covid-19 outbreak has dramatically altered our priorities and business practices. We are undergoing significant global economic and social transformations, including shifts in energy and mobility, due to escalating natural disasters and the effects of the climate crises we are increasingly experiencing.

During this challenging time, we have taken on greater responsibilities and made a global commitment by signing the UN Global Compact, which comprises 10 environmental, human rights, labor, and anti-corruption principles. *

At TEMSA, we are conscious of the rapid transformation in the transportation sector and are committed to incorporating sustainability into our business model to maintain our position as a robust player in the industry. Through our R&D and innovation programs, we are able to develop exceptional sustainable products, services, and innovative solutions that support this goal.

Throughout our more than 50 years of operation, we have successfully navigated many crises, including global shocks. Therefore, to strengthen and enhance TEMSA's financial structure and competitiveness in domestic and international

markets in 2021, we have decided to increase our capital by 143 percent. As a result, our company's capital has risen from 210 million TL to 510 million TL.

We are leveraging our expertise to develop sustainable and smart transportation technologies that will shape the future of modern urbanization and smart public transportation. In addition, we are substantially contributing to our country's economy by increasing our exports with innovative and high-quality products. In 2021, we delivered our first electric buses in Europe and Turkey. We have also restructured our international network under the umbrella of the Sabancı Group and PPF Group.

At TEMSA, we are pioneering smart mobility solutions with our electric vehicles, which we have introduced in various parts of the world, from Sweden to the USA, Spain to Lithuania. In addition to our export successes, we are continuing to promote the use of electric vehicles in Turkey.

We are intensifying our production and R&D efforts in this area with the goal of selling 50 percent of the city buses we will produce in 2025 with alternative fuel. We also plan to allocate half of our R&D investments to electrification in the coming period. As part of our R&D activities at TEMSA, we are working on alternative fuel technologies such as hydrogen, electric vehicles, autonomous vehicles, and battery technologies.

At TEMSA, we aim to create a new market in which solar energy systems are integrated, bus batteries are reused, and off-grid (portable) DC charging systems are available at a suitable scale. Furthermore, we have pledged to the Science Based Targets Initiative by calculating emissions from our activities and products according to the 2030 1.5-degree scenario. *

In the coming period, we will increase our sustainability-focused activities in line with the vision of creating shared value with all our stakeholders. In this context, I am pleased to share with you, our esteemed stakeholders, this second sustainability report, in which we have outlined our management approach and progress regarding protecting the environment, social responsibility, and corporate governance.

I would like to congratulate and express my appreciation to all our valuable colleagues and stakeholders who embrace TEMSA's vision and work responsibly and selflessly toward realizing a more sustainable world.

Best regards,
Cevdet Alemdar

Cooperation at TEMSA

** Since the publication period of our report is the last quarter of 2022, we have included two critical developments from 2022 in our report, within the message of TEMSA Chairman.*

CEO's Message

At TEMSA, we are committed to leading the way in the transformation of the automotive industry through our diverse range of products and services that support 'smart mobility' and 'decarbonization', including electric and autonomous vehicles, power distribution and vehicle charging units production, as well as charging stations.

Dear Stakeholders,

Our world is undergoing profound economic, social, and ecological changes driven by technological advancements and the climate crisis. These changes are transforming all sectors and leading to the emergence of new business models, with the global automotive industry at the forefront. The focus is shifting towards sustainable, smart cities; our electric buses are playing a pivotal role in improving the quality of life in cities by reducing fuel consumption, operating costs, air pollution, and noise pollution.

Over the past two years, TEMSA has undergone a significant transformation in line with the global developments mentioned above. We have positioned TEMSA, which employs more than 1,300 people, as a pioneering technology company that produces smart products in a smart factory. We are continuing our path as an automotive-focused technology company rather than a technology-focused automotive company. Technology is at the core of all the investments we have made in the past and are planning to make in the future. We allocate 4 percent of our annual turnover to our R&D center.

We now understand that we must be both a bus manufacturer and a service provider. Therefore, we offer products and services in various areas, from electric vehicles to autonomous vehicles, from power distribution and vehicle charging units production to charging stations. With this range of products and services that we

have developed at TEMSA, we contribute to 'smart mobility' solutions and 'decarbonization' that will shape the future of the automotive industry. Electric vehicles are a critical part of this vision and crucial to achieving our goal of selling 50 percent of the city buses we manufacture in 2025 with alternative fuel.

We export our conventional vehicles to 66 countries around the world. In addition to the designs we have developed, we focus on sustainability in our products by reducing their environmental impact through weight reduction studies that directly reduce fuel consumption.

We also prioritize sustainability in our operations and supply chain, minimizing our customers' environmental impacts. For example, we implemented energy efficiency projects during the reporting period that prevented 708 tons of emissions. In the future, we plan to use renewable energy sources to reduce more of our carbon footprint and contribute to protecting the environment.

Furthermore, in line with the European Green Deal and our country's net zero target for 2053, we are committed to reducing the greenhouse gases produced by our operations and training our important suppliers on managing their social and environmental impacts.

In 2020, we received the Zero Waste Basic Level certificate for our efforts towards production with a circular economy and our zero-waste approach. As a group, we have made a commitment to the Turkish Business Council of Sustainable Development Business Plastics Initiative. By 2024, we aim to eliminate the consumption of single-use plastics in certain categories in our offices.

In 2021, our company was recognized with a "Silver" category award from the global rating platform EcoVadis, after the evaluation of more than 55 thousand companies. This award resulted from our successful performance in the field of sustainability. During this time, we also focused on studies to further improve our performance regarding the environment, human rights, labor, ethics, and sustainable procurement, as assessed by EcoVadis.

This year, we continued to prioritize our sustainability vision and our commitment to being human and society oriented. We strive to provide our employees with a safe, healthy, and inclusive work environment with a culture of shared values. We invest in development programs that support the growth and success of our talented employees, both in our offices and in our factories. We also value the participation of vulnerable groups, such as the youth, women, and the disabled, in our workforce and offer voluntary projects and industry-university collaborations to support their development.

We plan to further our environmental and social commitments in the coming period. Finally, I express my gratitude to all my valuable colleagues who contributed to these substantial efforts, our tremendous successes, and all our stakeholders for their exceptional cooperation.

Best regards,
Tolga Kaan Doğancıoğlu

CORPORATE PROFILE

At TEMSA, as a people-oriented technology company that offers sustainable mobility solutions, our ambition is for 50 percent of the vehicles we manufacture in the city bus segment, to employ alternative fuel, and to bring our greenhouse gas emissions to net zero by 2050, with the support of our increasing circular business model practices.

TEMSA in Numbers

	CORPORATE PROFILE	SUSTAINABILITY PROFILE
ECONOMIC	**31,860,279 TL** Sustainable Product and Service Revenues (Impact reduction)	**7** Number of Sustainable Products and Services (Impact reduction)
	31,502,712 TL Sustainability-oriented R&D and Innovation Investments	**4.11%** Ratio of R&D and Innovation Investment Budget to Total Revenue
	1,438 Suppliers Number of Local Suppliers	**55%** Ratio of Payments Made to Local Suppliers
	510,000 m^2 Production Facility Area	**70.63 Million TL** All R&D and Innovation Investments
	10,000+ Vehicle Production Capacity (In one shift - bus, midi-bus, and light truck)	**44.6%** Ratio of Sustainability-Oriented R&D, Innovation Investments
SOCIAL	**1,267 People** Our employees	**6,2%** Female Employees **16,4%** Senior Female Managers
	2,284,541 TL Occupational Health and Safety Investments	**11,503 Hours** Occupational Health and Safety Training
	180,000 TL Investments in Social Projects (Excluding sponsorships)	**347** Number of Young People Reached by Inclusion Programs
	22,752 Hours Total Training Hours	**25.9 Hours** (n-3) **32.8 Hours** (n-2) **17.6 Hours** (n-1) Average Training Duration
	1,044,116 TL Total Training Expenditures	
ENVIRONMENTAL	**363,000 TL** Environmental Expenditures	**2,932 Hours** Environment and Sustainability Trainings
	456,808 TL Efficiency Expenditures in Production	**21%** Energy Efficiency / **24%** Emission Reduction / **20%** Waste Management / **9%** Water Management / **3%** Consulting / **23%** Other Distribution of Efficiency Expenditures in Production

About TEMSA

Since 1987, we have maintained an annual production capacity of more than 10 thousand vehicles; we have mainly produced public transportation vehicles while offering our customers advanced technology mobility solutions.

TEMSA, established in Adana in 1968, is one of the leading buses and midi-buses manufacturers in Turkey and globally, with more than 53 years of experience.

We have a total production capacity of over 10 thousand vehicles, including 4,000 buses and midi-buses and 6,000 light trucks (annual/single shift).

We are based in 66 countries and have developed approximately 66,000 vehicles with 100 percent Turkish engineering.

We carry out our overseas activities through TEMSA North America, TEMSA Deutschland, and TEMSA France, our companies in the USA, Germany, and France, respectively.

We develop, manufacture, and export the batteries and battery packs used in our electric vehicles at our facilities in Adana.

OUR MISSION

At TEMSA, our mission is to be the world's people-oriented technology company that offers smart and sustainable mobility solutions for more enjoyable journeys.

OUR GOALS

To be the world's leading mobility company,

To be one of the world's leading customer-oriented businesses,

To design smart and sustainable solutions to ensure seamless journeys,

To produce innovative solutions.

RESPECT

We achieve our common goals primarily by respecting each other and working together.

SOLUTION-ORIENTED

We always provide solutions to our customers; we cover all the gray areas. We anticipate problems and offer proactive and rational solutions.

TRANSPARENCY

We attach importance to sharing information with the right people at the right time. We share the impact of new developments that have benefited our business.

We always tell the truth and believe in the importance of effective feedback.

PASSION AND COMMITMENT

We are proud of the success we have achieved in our work which we carry out passionately. While working, we consistently act in accordance with our high ethical standards and always try to set a good example. Furthermore, we always support employees who make distinctive impacts.

Our Milestones

1968
Establishment of TEMSA

1984
Establishment of a technical support contract with Mitsubishi and commencement of the licensed product distributorship

1987
Production of the first Maraton-branded bus

1992
Production of Prestige Midi-bus and Canter trucks

1999
Commencement of exporting to France

2001
Commencement of exporting to the rest of Europe

2007
- Opening of TEMSA Germany office (TEMSA Deutschland)
- The first automotive company to be accepted into the Turquality program

2008
Commencement of exporting to the US

2010
Entering the North American market for the first time in 2010 with the TS35 model

2013
- Separation of TEMSA Global (Transportation Vehicles), TEMSA Motor Vehicles, and TEMSA Heavy Equipment
- Launch of Avenue articulated and CNG vehicles

2014
First TS45 sale to the US

2015
- Establishment of the R&D design office
- Launch of the first electric vehicles
  - MD9 electriCITY,
  - Marathon, the first vehicle in the SHD segment
  - The first smart bus Avenue IBUS

2016
- Commencement of TEMSA Smart 2020 studies carried out within the scope of Industry 4.0
- Production of the first domestic electric bus, Avenue EV
- Opening of Makerlab

2017
- Launch of Avenue Electron, LD SB Plus, and new MD9
- Launch of Fleetics
- Completion of Phosphate Cataphoresis Plant
- Obtained an Authorized Economic Operator Status certificate
- Commissioning of the first TEMSA Robot (Camgöz)

2018
- Establishment of TEMSA North America

2019
- Incorporation of TEMSA into True Capital Partners
- Establishment of TEMSA France (TFR SAS)

2020
- Incorporation of TEMSA into Sabancı 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, Turkey's vehicle production with the highest local rate

2021
- Silver Award at EcoVadis 2021 Sustainability Platform
- Electric bus export to the Czech Republic and Romania

Products and Services

At TEMSA, we produce light trucks as well as public transportation vehicles such as buses and midi-buses. We also manufacture batteries and battery packs for electric buses in our facility, which we started selling for the first time in 2020.

We support our customers also during the after-sales process and provide them with various after-sales services to ensure a high-quality customer experience. In addition, we regularly update our product and service portfolio, bearing in mind changing conditions and evolving global trends. In 2025, we expect 50 percent of our total city bus production capacity to consist of alternative fuel vehicles. Although no new vehicles were introduced into the market in 2021, R&D studies for four new vehicles, three of them electric, continued as planned.

Intercity

United States

TS35 | TS45 | TS30 | Maraton | HD/Safir | LD SB Plus | LD C | MD9 | MD9 LE

Midi-Bus

MD7 | Prestij SX

Innercity

MD9 LE | MD9 Electricity | Avenue Electron | Avenue EV | Avenue LF

Canter Pickup and Truck

Canter 3.5B | Canter 8B | Canter 9B

Ongoing Projects in 2021

LF12 CNG: A low-emission bus developed for city use.

TS45E: A coach with a range* of 400 km designed for the North American market.

MD9 electriCITY Class II: A vehicle with a range of 400 km, developed for short intercity distances, Class II differs from MD9 electriCITY regarding certain hardware elements and seating arrangements.

LDSB E: A vehicle with a range of 350 km, suitable for use on short intercity distances and/or as a school bus.

2021 Vehicles Produced

- **18** Bus (Electric)
- **2** Bus (CNG)
- **524** Bus (Diesel)
- **622** Midi-bus (Diesel)
- **696** Canter (Diesel)

** Range Value: Shows how many kilometers the vehicle can cover on one charge.*

Battery Technologies

Innovation in business models is needed to design new vehicles under changing conditions, supply suitable cells or batteries, and keep new systems running smoothly. Additional software is also required. We have implemented a new way of doing business to fill this gap and design smart, sustainable and advanced technology products.

We designed the battery pack, TEMSA's first product in this field, to generate more power with less space and smaller volume. TEMSA's light and durable battery pack has ECE R100 v2 and ECE R10 v5 certificates in accordance with European Union (EU) standards. The battery management system, designed as a smart card by TEMSA engineers, provides high efficiency and extends the life of batteries.

TEMSA's Battery Technologies

TEMSA After Sales Services

With our high-quality approach to competent services, we offer our customers after-sales services in four areas: quality management, e-systems, road assistance, and spare parts. As a result, we increase customer satisfaction with user-friendly, efficient, safe, and accessible after-sales services.

QUALITY MANAGEMENT

Fast and result-oriented services to customers

Uninterrupted support

Low downtime

E-SYSTEMS

Easy and user-friendly online service for technical information and spare parts

Up-to-date online user manuals and maintenance programs for vehicles

ROAD ASSISTANCE

A global network of expert after-sales support teams

24/7 Road assistance team

Expert technical personnel who are always ready to serve

SPARE PARTS

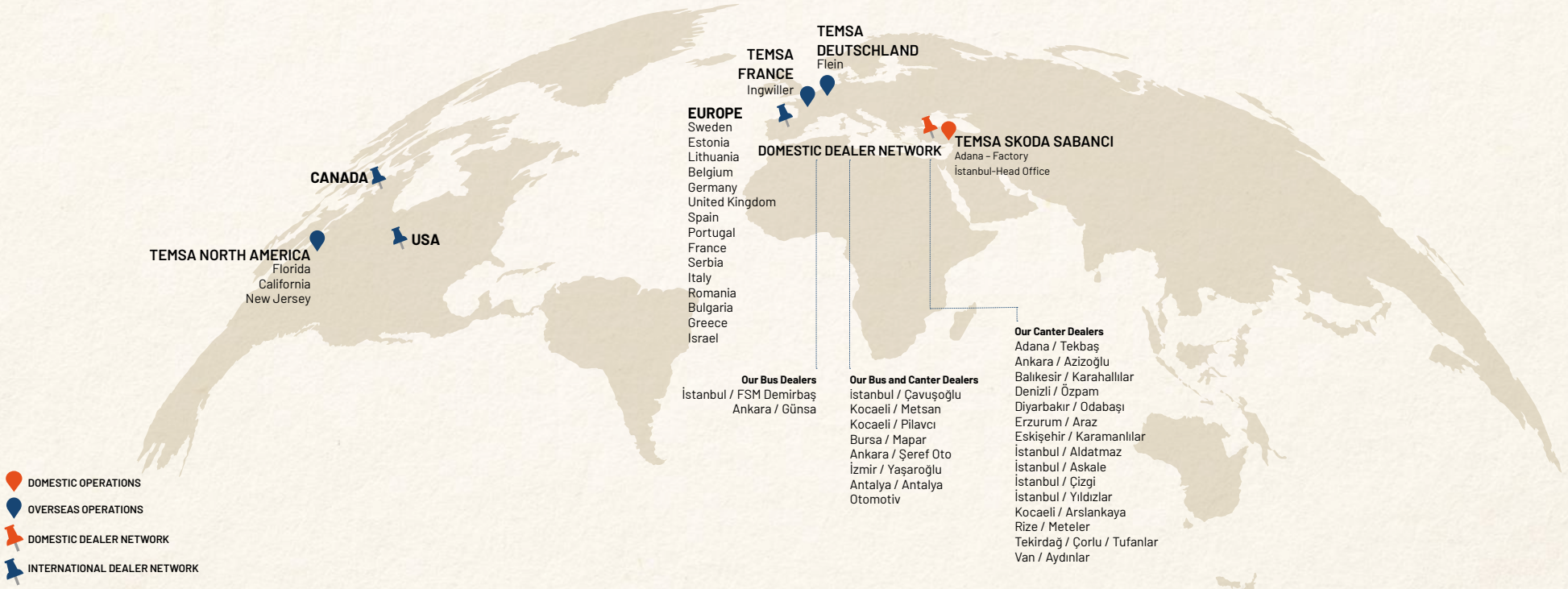
Fast and secure supply of original spare parts

Worldwide spare parts distribution network

Operations and Markets

We have substantially increased our domestic and international market share with the environmentally friendly and smart mobility solutions we have developed. We conduct our overseas operations from three countries, with offices in the US, France, and Germany.

We export the vehicles we produce to European countries such as France, Germany, the United Kingdom, Italy, Austria, and Sweden, as well as the United States and various Turkic states. Today, TEMSA vehicles operate in 66 countries, mainly in the US and Europe. In addition, we provide sales, after-sales services, service and spare parts services to our overseas customers. In Turkey, we continue our activities through our head office in İstanbul and our factory in Adana, with nine dealers in the bus segment and 22 in the light truck segment.



STRATEGY AND MANAGEMENT

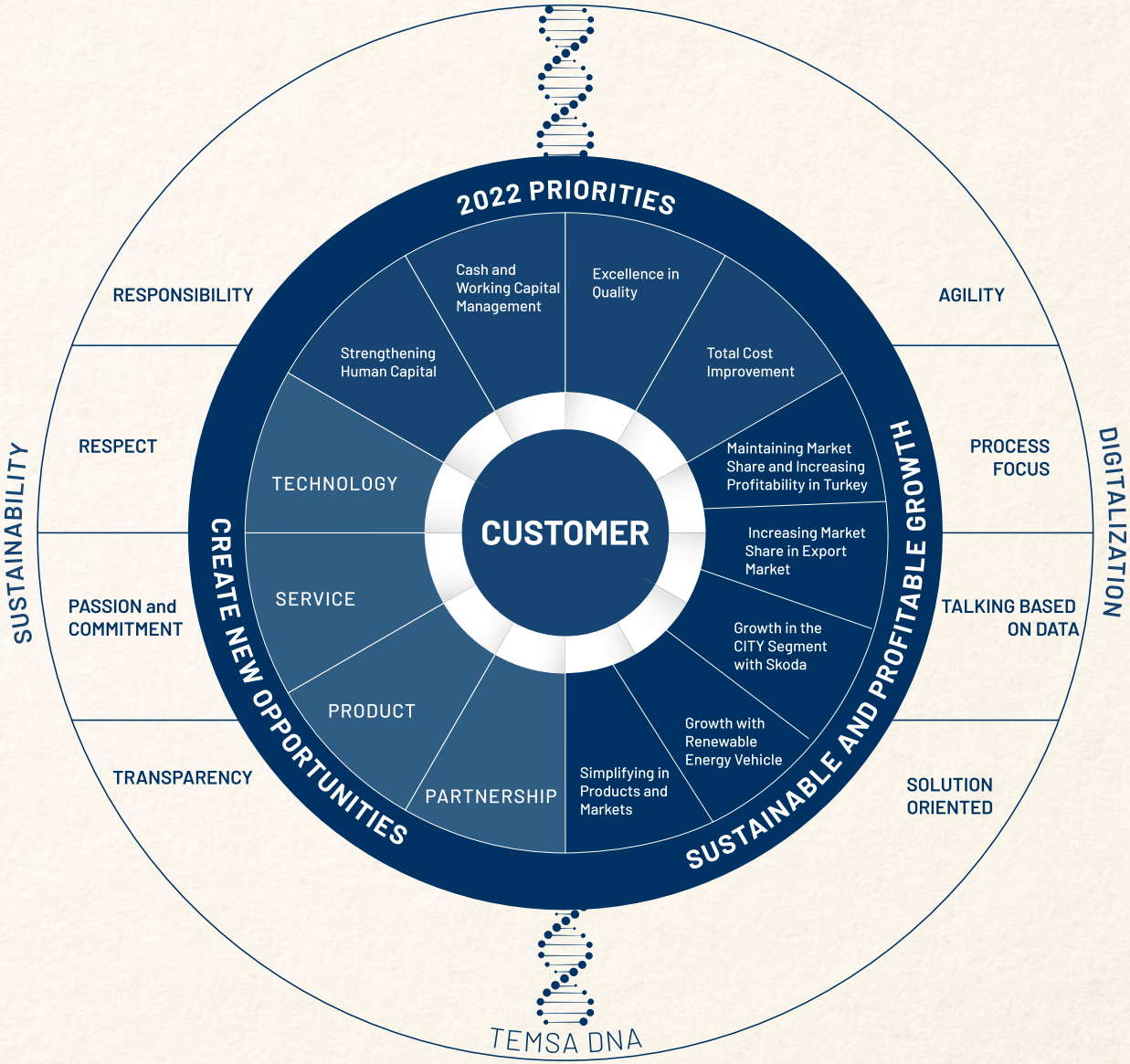
TEMSA's sustainability approach and related activities were awarded the "Silver" award by EcoVadis, a global-scale rating platform that provides services in 160 countries and more than 200 sectors and evaluates the sustainability performance of more than 55 thousand companies when it comes to the environment, employee rights, ethical and sustainable procurement practices.

Strategic Priorities

Integrating sustainability and digitalization into every aspect of our business is the basis of our corporate strategy, ensuring continuity by allowing us to conduct responsible and agile operations.

With our strategic roadmap, where we focused on sustainability and digitalization, our priorities for 2021 were to strengthen our human capital by providing greater opportunities for our employees, create a variety of different financial resources that adapt to the changing world, enhance our impact in domestic and international markets and to provide a perfect customer experience. We include the activities and projects we carry out in different sections of our report to help achieve these priorities. The priorities of 2022 that we will consider as the bases of our actions regarding our targets, are placed in the scheme, on the right side of the page.

Our aim is for 50 percent of the vehicles we produce in the city bus segment to employ alternative fuels by 2025. We develop our operations and capabilities in this direction and review our priority actions every year to achieve our strategic goals.



Risk Management

In 2021, we started work on the establishment of the Early Risk Detection Committee (ERDC) at TEMSA. ERDC, which will commence operations in 2022, will include representatives from both our partners.

The Early Risk Detection Committee (ERDC), which will be active from 2022, will consist of a Board Member and the Skoda Risk Manager. We plan to hold ERDC meetings one week before the Board of Directors meetings.

TEMSA has a Risk and Compliance Department, which consists of three experts, two lawyers on the risk side, one on the compliance side, as well as the Risk and Compliance Manager. We consider risks in four main categories: strategic, financial, operational, and compliance. We also submit an annual risk report which will feature in the Sabancı Holding Early Risk Detection Committee. At TEMSA, we address our risks together; we prepare the Holding report within the scope of sustainability risks featured in the following 16 categories: Currency, Interest, Portfolio and Business Management, Occupational Health and Safety, Regulation and Implementation Changes, Reputation, Capital Markets, Legal Compliance, Cyber Security, Information Technologies, Business Continuity, Business and Operations Continuity, Human Resources and Key Personnel, Emergency and Disasters, Liquidity/Cash Management, Access to Finance.

At TEMSA, we evaluate sustainability risks under three main headings;

1. Transition Risks (Market, Financing, Technology, etc.)

2. Physical Risks

3. Compliance Risks (future regulatory changes, including Carbon Regulations)

Subject	Planned Actions for 2022
Strategic / Sustainability – Transition Risks	Negotiations with different banks for the creation of credit limits Continuing R&D investments for competitive vehicles
Strategic / Sustainability – Physical Risks	Conducting of feasibility studies for additional investment in our existing water treatment plant, as the water used in the process may need to be reintroduced due to drought Conducting of feasibility studies for additional investment in the existing UPS (uninterrupted power supply) system in order to avoid interruptions to operational processes in case of an increase in forest fires and problems in the long-term electricity supply
Strategic / Sustainability - Compliance Risks	To follow the legislation and take the necessary actions within the scope of the carbon pricing mechanism.

Business Continuity at TEMSA

At TEMSA, business continuity management is handled based on emergency management and crisis management. Emergency Management (plans, drills, etc.) is coordinated by the EHS. Crisis management studies are carried out within the Risk and Compliance Department. Ongoing studies include the preparation of instructions based on the Crisis Management Procedure and crisis scenario and simulation work for the Crisis Management Team.

Ethics and Compliance

We always observe our ethical values while performing our work. The TEMSA Code of Ethics, which is binding for all parties we work with, includes the responsibilities of our employees and the principles we implement within the scope of our business relationship with our stakeholders.

The TEMSA Code of Ethics includes the rigorous approach we observe on issues such as the fight against bribery and corruption, human resources, human rights, and environmental protection. The Code of Ethics enables us to be responsible corporate citizens and guides our operations both at home and abroad.

TEMSA employees can send their notifications regarding ethical violations to the **TEMSA Code of Ethics Advisor** via **etik@temsa.com**, to Sabancı Holding Headquarters via **etik@sabanci.com** and **+90 212 385 85 85**, and to the Ethics Committee via mail. In 2021, we did not receive any notification of ethical violations from our employees or external stakeholders.

Compliance Performance

In 2021, no public lawsuits or accrued penalties were filed against our company or our employees regarding bribery and corruption. In addition, no cases were filed against our company concerning personal protection rights, competition, environmental, social, and corporate governance issues or any non-compliance penalties.

Ethics Performance Summary	2021
Number of notifications received on the ethics line	0
Number of notifications received on the ethics line which were resolved during the year	0
Number of notifications received on discrimination on the ethics line	0
Number of disturbances/harassment reports received on the ethics line	0
Number of notifications received on child labor/forced labor on the ethics line	0
Number of information security notifications received on the ethics line	0
Total training (hours) on ethics (including human rights)	213
Number of employees who received ethics training	396
Ethics training per person (hours)	0,54
The employee coverage ratio of training on ethics	97.3%
Anti-Bribery and Anti-Corruption	**2021**
Number of detected bribery/corruption cases	0
Number of disciplinary penalties given to employees for bribery/corruption	0
Number of public lawsuits filed against the company regarding bribery/corruption	0

Performance Notes

The titles included in the training on ethics are Discrimination/Disturbances/Harassment/Human Rights.

In 2021, there were no cases of corruption or bribery within the scope of the company's activities.

Sustainability Priorities

At TEMSA, we determine our sustainability priorities by focusing on high-risk areas, and in this process, we consider feedback from our key stakeholders through different communication platforms.

We conducted a comprehensive study in 2020 to initially determine TEMSA's sustainability priorities and provide a strategic direction for our sustainability activities. While carrying out this valuable study, we evaluated the future strategies of the company, the perspectives of the top management, global sustainability trends, plus the expectations of our employees, customers, and critical suppliers.

Prioritization Processes

Evaluation of sustainability trends with External Trend Analysis

Obtaining employee opinions with Stakeholder Analysis

Evaluation of company strategy

Understanding company priorities through senior management meetings

External Resources

Sustainable Development Goals

Global Economic Forum Global Risks Report

SASB (Sustainability Accounting Standards Board) and MSCI industry priorities analysis

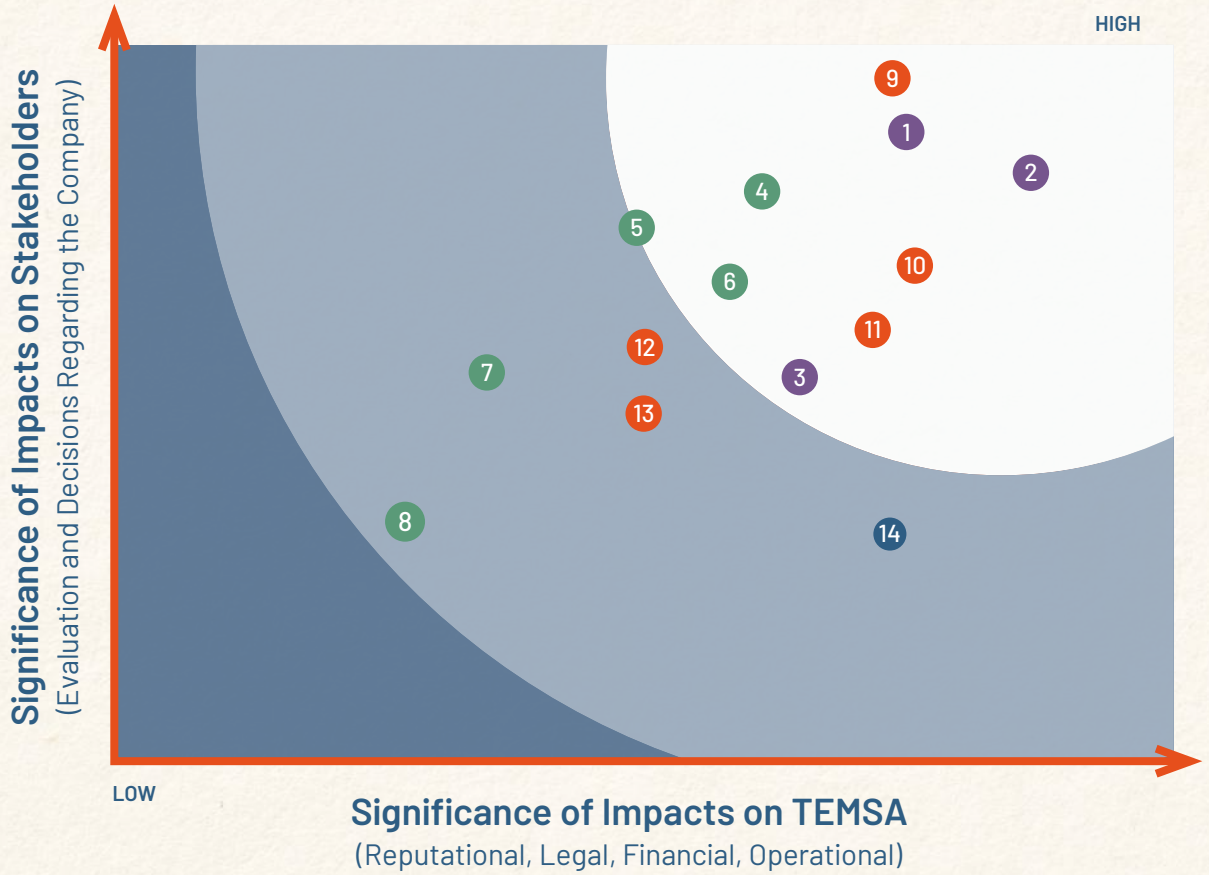
McKinsey Mobility and Covid-19 Report

Eleventh Development Plan

2021 Prioritization Review

With the two review meetings we held with the TEMSA Sustainability Committee and our sustainability consultant, we adapted our priorities determined in 2020 to today's conditions and EcoVadis Sustainability Rating Survey expectations, making them more refined and focused. We have redesigned the flow and content of our report within the scope of these new priorities.

TEMSA Sustainability Matriality Matrix



1 Product Safety
2 Economic Performance
3 Responsible Procurement

4 Emissions Management
5 Waste Management
6 Water and Effluents Management
7 Materials Management
8 Conservation of Biodiversity

9 Occupational Health and Safety
10 Employee Rights and Satisfaction
11 Equal Opportunity and Diversity
12 Talent Management
13 Community Investments

14 Anti-Bribery and Anti-Corruption

Economic Impacts
Social Impacts
Environmental Impacts
Governance Impacts

(GRI 102-47)

The numbers do not indicate any ranking, they are only used to place the topics on the chart.

Sustainability Management

At TEMSA, we have established a Sustainability Committee that includes different units within the company to manage sustainability issues effectively. The committee conducts studies focused on sustainability strategy and meets at least four times a year.

Established during the last months of 2020, the Sustainability Committee also participates in the work of agile teams under the Sabancı Holding structure. Focus teams supporting the Committee include employees from departments such as Maintenance and Repair, Administrative Affairs, Environment, Occupational Health and Safety, R&D, Production, Legal Consultancy, Human Resources, Quality, and Information Technologies. In addition, the Sustainability Committee monitors the necessary work for the realization of the Sustainability Roadmap approved by the Board of Directors and the CEO. In the committee meetings held four times a year, depending on the agenda, relevant stakeholders also attend by invitation in addition to the 10 Principal Members. The Committee also benefits from the opinions of experts when necessary.

We develop tools that will optimize our communication with every stakeholder in our stakeholder ecosystem. We enable two-way communication whenever possible. Our Stakeholder Communication Platforms are located here.

Committee Chair: CEO

Principal Members: Committee: General Manager (CEO), Deputy General Manager of Operations (COO), Deputy General Manager of Financial Affairs (CFO), Deputy General Manager of Human Resources and Information Technologies (CHRO), Deputy General Manager of Sales and Marketing (CSMO), Deputy General Manager of R&D and Technology (CTO), TEMSA North America (TNA) Director, TEMSA France (TFR) Director, Deputy General Manager of After Sales Services, Corporate Communications Manager

Invited Members: Relevant Managers, Executives, Sustainability Representatives, and Coordinators

Coordination Unit: Sustainability and Process Management

Focus Teams: At least one Sustainability Ambassador for each of the following functions

CLIMATE AND ENVIRONMENT

HUMAN RESOURCES

SUSTAINABLE BUSINESS MODEL

VALUE CHAIN

Sustainability Committee 2021 Agenda

- Signing the UN Global Compact (UNGC)
- Establishing focus teams and planning capacity-building activities
- Planning of supplier sustainability performance evaluation studies
- Preparations for the transition to renewable energy use
- Preparations and planning for transition to the Energy Management System

Sustainability Score

The Sustainability Score study, which we established at the end of 2021, defines the sustainability criteria we follow under four main groups: environment, social, OHS, and economical and 11 sub-titles. We monitor and report the indicators listed below every quarter.

Environmental Indicators

- Greenhouse Gas Emissions
- Plastic Consumption
- Water Management
- Waste Management

Social Indicator

- Employment Numbers
- Training Hours

OHS Indicators

- Accident Frequency
- Vehicle Accidents
- OHS Training Hours

Economic Indicators

- Sustainable R&D Investments
- Sustainable Products

Contributions to Sustainable Development Goals

At TEMSA, our sustainability priorities, which we have determined through studies with our stakeholders, support the sub-targets of the United Nations Sustainable Development Goals (SDGs).

We have determined our sustainability priorities to give a strategic direction to TEMSA's sustainability activities. In this context, we have determined the Sustainable Development Goals with the sub-targets which we directly support, considering the projects we carry out, the KPIs we follow, and our related targets.

Our Priority Topics and Facilitators	SDGs Logo	Related SDGs	Sub-Targets of SDGs We Support
Skill Management Equal Opportunity and Diversity Social Investments		**SDG 4 Quality Education**	4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university
Employee Rights and Satisfaction Equal Opportunity and Diversity		**SDG 5 Gender Equality**	5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
Emissions Management		**SDG 7 Affordable and Clean Energy**	7.2. By 2030, increase substantially the share of renewable energy in the global energy mix
Occupational Health and Safety Employee Rights and Satisfaction Responsible Procurement Practices		**SDG 8 Decent Work and Economic Growth**	8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

(GRI 102-44)

Our Priority Topics and Facilitators	SDGs Logo	Related SDGs	Sub-Targets of SDGs We Support
Product Safety Emissions Management R&D & Innovation Digitalization & Technology		**SDG 9 Industry, Innovation, and Infrastructure**	9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Economic Performance Emissions Management		**SDG 11 Sustainable Cities and Communities**	11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
Water and Effluents Management Waste Management		**SDG 12 Responsible Consumption and Production**	12.2. By 2030, achieve the sustainable management and efficient use of natural resources 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Emissions Management		**SDG 13 Climate Action**	13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
R&D & Innovation Community Investments		**SDG 17 Partnership for the Goals**	17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

(GRI 102-44)

GLOBAL TRENDS, AUTOMOTIVE INDUSTRY and TEMSA

The climate crisis, which is increasing its impact daily when it comes to the ever-changing dynamic agenda of the world, affects sectors in a multidimensional way and forces an inevitable transformation. Global trends are also shaped within the framework of the climate crisis, and the automotive sector's energy efficiency, transportation, and logistics alternatives with the lowest direct and indirect carbon emissions and new regulations come to the fore.

Global Issues and Related Agreements

Companies must follow these trends and manage their adaptation processes regarding business continuity. Because the climate crisis and climate-based disasters that deepen this crisis significantly affect the continuity, sustainability, and future of businesses. In this process, companies need financial and operational flexibility to prepare themselves when it comes to infrastructure.

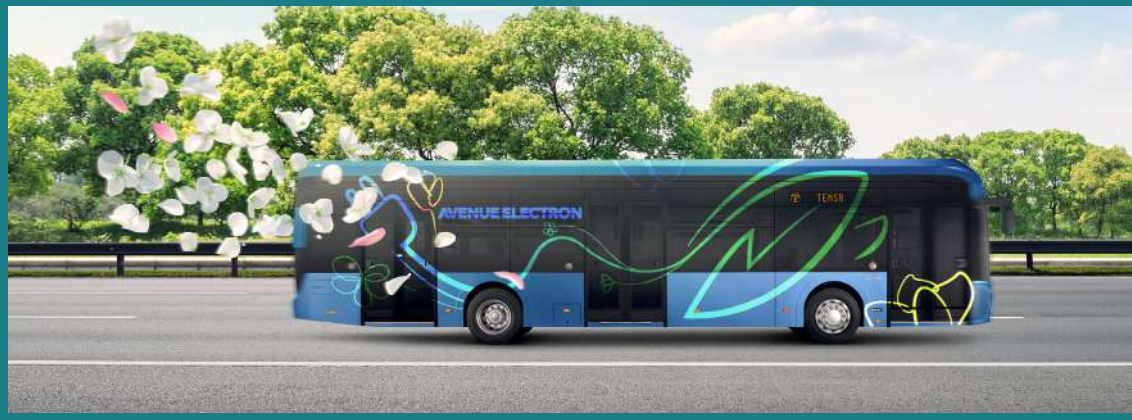
Climate Crisis

With the belief that the effects of the Covid-19 pandemic will become relatively controllable towards the end of 2021, the social, economic, and ecological structure has started to feature on the agenda again and much more prominently than before, especially in the context of the climate crisis. In summary, the climate crisis has come to the fore regarding the focus of all global targets and reports, multinational and regional agreements.

The 2022-Global Risks Report published by the World Economic Forum points out that climate-based risks represent five of the top ten global risks for the next decade. In Turkey, human-induced environmental damage is featured in the top five risks. Turkey stands out as a country with immense potential, aiming to achieve green transformation, despite significant issues, such as a long-term economic recession, inadequacy in technology development and commercialization, as well as a high rate of unemployment.

TEMSA's Actions

At TEMSA, we focus on contributing to the 2050 Net Zero Emission and Zero Waste target. We achieved the domestic market's first 100 percent electric bus production in 2016. In our production activities, we are working on reducing volatile organic compounds, reducing waste, and adopting energy and water-saving measures. Related details can be found under the title Emissions Management and Combating Climate Change.



Paris Agreement and European Green Deal

The Paris Agreement, which aims to keep the global temperature increase below 1.5°C, was accepted by Turkey as of October 6, 2021; this means that Turkey is now a legal member of a worldwide movement to combat the climate crisis. With this process, updating the national contribution statement, which includes emission reduction targets for energy, transportation, and agriculture, will accelerate transformation in these critical sectors. In particular, the targets related to the energy and transportation sectors are closely and directly related to the automotive sector's transformation.

Turkey's ratification of the Paris Agreement prioritizes the European Green Deal when it comes to international trade. With the European Green Deal, the EU aims to reach the net zero target by 2050. Thanks to this target, it is predicted that the EU's carbon emissions will decrease by at least 55 percent by 2030 compared to 1990. Considering that the European Union is the most critical and leading export market for the automotive industry, the Carbon Border Adjustment Mechanism (CBAM) prepared in this context makes the importance of consensus much more evident in terms of the sector.

The electrification of mobility shapes this process, and with the widespread use of renewable energy sources, the potential of countries to reach their carbon-neutral targets relatively quickly and effectively increases. Furthermore, this process triggers a much more effective transformation with the electrification of public transport.

TEMSA's Actions

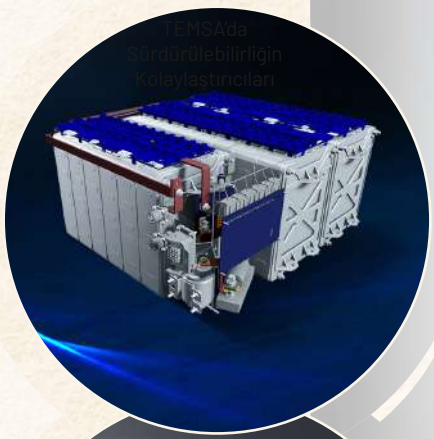
Since exports are an essential part of our operations, we have set a target of using 100 percent renewable energy in new investments, and we focus on reducing the carbon intensity of our products with our R&D studies to prevent and mitigate the risks that the carbon tax may bring at the border. Related details are under the title Economic Performance and Sustainable Products.

Automotive Industry Trends

The transportation sector, which is responsible for a significant amount of carbon emissions, bases the green transformation of its current structure on electrification. The mobility industry has made decarbonization a priority, but the process is too multi-layered to be confined to the electric conversion of individual vehicles or public transport vehicles.

Electrification and The Future of Mobility

It is possible to talk about many dynamics ranging from the methods and sources of energy these electric vehicles require to the accessibility of charging units, from battery life to the sectoral talent gap.



Challenges and Needs	TEMSA's Actions
By 2035, the largest automotive markets will be fully electric. However, the transition process, which starts with the production of electric vehicles, creates a significant amount of carbon emissions as it is dependent on electricity obtained from fossil fuels, representing the transformation's most critical dilemma.	We support public transport electrification with our production of electric buses, and we are working in many areas, such as autonomous vehicles and using alternative fuels such as hydrogen. Relevant details are under the title R&D and Innovation.
With the transition to electrification worldwide, the need for long-lasting and fast-charging batteries is increasing. High-cost battery technology is the most critical aspect of electrification. However, difficulties in supplying adequate raw materials, including lithium, nickel, and cobalt used in batteries, and an insufficient number of factories producing batteries have led the industry towards using recyclable battery technology.	We produce battery technologies for the electric vehicles we manufacture. In addition, we are developing off-grid (portable) DC charging systems to create an alternative purpose and a new market for end-of-life bus batteries. The details of the project we developed in cooperation with EnerjiSA are listed under the title Emissions Management and Combating Climate Change. By shifting to solar energy, our vehicles will operate with zero emissions.
Electrification, the most important aspect of the automotive industry, brings new risks and opportunities. One of these is a public charging infrastructure that needs to be built to keep up with the ever-increasing number of electric vehicles.	At TEMSA, we carry out many projects to develop power distribution, vehicle charging units, and charging station technologies in our R&D department.
In addition, one of the most crucial problem areas for the sector and other sectors in which industry is involved in a horizontal-vertical, forward-backward connection is the deficit regarding new-generation green skills and green jobs.	First, we prepare training programs to increase the adaptation of TEMSA employees to developing green technologies. Details of the 1 Employee 2 Professions project, which we implemented in cooperation with Adana Çukurova Vocational Education Center, can be found under the title Talent Management.

Global and Local Regulations

The European Green Deal is followed closely by the automotive industry, and the expectations in this context are mainly shaped within the scope of decarbonization. On the other hand, social regulations such as the German Supply Chain Law, which will be effective from 2023 on issues such as human rights and working conditions, feature on the agenda of exporting and supplier companies. For developing countries, green transformation creates significant advantages and opportunities to catch up with developed countries; on the other hand, it can cause critical dilemmas.

Developing countries can only catch up with developed countries with supportive policies implemented by the states and the sector-oriented incentives they provide. We observe that tax advantages, support, and incentives, especially in leading technologies in vehicle and battery manufacturing, associated sectors, renewable energy sector investments, and charging stations, have become important agenda items for the automotive industry. While our country is still taking the first steps in this context, signals from abroad make it inevitable for companies to be more proactive in compliance.

Regulation	Impact on the Company	TEMSA's Compliance Actions
The German Supply Chain Law imposes penalties on German companies of certain sizes if they work with suppliers that do not comply with this law.	It can potentially affect the company in the medium and long term. In case of non-compliance, export restrictions may apply.	At TEMSA, the actions we take within the German Supply Chain Law's scope are listed under the title Responsible Procurement and Supply Chain Management.
Sanctions that significantly affect the operation of the company: -USA (OFAC) -SDN lists (banned contacts list)	It can potentially affect the company in the short term. For example, in case of non-compliance with sanctions or other related regulations, fine administrative sanctions, criminal liability of managers, etc., could be applied.	We use the Sanction Trace app for third-party reviews. In addition, we perform risk analysis by observing KYC (know your customer) guidelines and signing letters of commitment. Details on the subject and the actions we take are under the title Responsible Procurement and Supply Chain Management.
We expect new local regulations in the coming period within the scope of the Green Deal Action Plan published by the Ministry of Commerce in 2021 and the adaptation to the Paris Climate Agreement by the Ministry of Environment, Urbanization, and Climate Change.	It will affect both our industry and our company financially and operationally.	We anticipate that we will quickly adapt to new local regulations thanks to our actions within the scope of compliance with international regulations.

FACILITATORS OF SUSTAINABILITY AT TEMSA

At TEMSA, digitalization, technology, R&D, and innovation approaches are included in all our processes, from design to the final product. These investments, which serve our growth strategy, play an essential role as facilitating tools in achieving our sustainability goals faster.

R&D and Innovation

The R&D and innovation approach, which is at the core of all our operations, serves our growth strategy and makes us one of the critical stakeholders in solving global problems. With the strength we derive from our R&D culture and university-industry cooperation, we design projects that will enable us to stand out in the global market.

As the first company in Turkey to receive the R&D Center certificate, TEMSA made an R&D investment of 47.5 million TL for 69 ongoing projects in 2021. The merger with Skoda as a result of the Sabancı-PPF Group partnership and the subsequent information shared enabled us to strengthen our innovation processes in our R&D center operating in Adana with an area of 9,500 m^2 and a total of 149 employees. As a result, we realized the E-bus and Trolleybus vehicle designs with Skoda, and in 2022, we achieved the Fuelcell and 18-meter Trolleybus projects together. In the future, we will jointly work on Skoda Group's electric motor and power electronics components and parts and TEMSA vehicles' internal and external body parts and mechanical parts.

Our Activities in 2021

2
We applied for 2 Hamle projects. We received incentives from the truck project investment.

4
We took on 4 TÜBİTAK projects and completed 3 of them.

9
We applied for 9 Horizon Europe projects and are waiting for the results of 6, which are still being processed.

1
We applied for the 1 TÜBİTAK-1711 application and are awaiting the result. (In partnership with TOBB ETÜ-DATAMIND-TÜBİTAK BILGEM)

1
We made 1 TÜBİTAK-1702 application and received an incentive. (With SUNUM-ITU partnership)

Sustainability Impacts of Our R&D and Innovation Works

Product quality / safety	Together with ADAS (Advance Driver Assistance System), we made vehicles safer and more comfortable. We strengthened the structures of vehicles by conducting additional analysis studies regarding construction. (Economic and Social Impact)
Overall production efficiency	We increased production efficiency with design improvement studies.
Energy efficiency	We carried out projects to reduce fuel consumption by 2-3 percent and increase the range of our vehicles. In this way, we increased our vehicles' energy efficiency. (Economic and Environmental Impact)
Emissions management	The focus of the projects is the development of electric and hybrid vehicles. Our vehicle lightening and energy efficiency efforts directly reduce carbon emissions. (Environmental and Social Impact)
Waste management	The increase in our electric vehicle production has also reduced our waste rates for oil and filters. We have also made additional efforts to minimize inert materials.
Plans for Future	In the future, we will continue investing in R&D to achieve our net zero target, leveraging technology opportunities to provide sustainable mobility products.

Projects We Developed with Industry-University Collaborations

Project Name	Current Status	Targeted Sustainability Impact	Collaboration	Achieved / Targeted Results
Autonomous Driving Electric Vehicle Design Project	Turkey's external dependence on autonomous vehicles increases design costs and eliminates design flexibility.	We aim to work on mass production, become independent in vehicle design and develop competitive and innovative autonomous vehicles. (Economic Impact)	Infotech and Galatasaray University	With 100 percent domestic software production within the project's scope, we will be able to develop much more flexible vehicle designs that respond to every need.
Electric Bus Project for the American Market	With an export and foreign market-oriented approach, we develop products for the needs of different markets, especially the United States.	For the first time in Turkey, we aim to design a vehicle that is 100 percent electric for intrastate trips for the American market. (Economic Impact)	Çukurova University	Ongoing project
Aerodynamic Body Design and Prototype Production of Intercity Electric Bus for the American Market	The aerodynamic losses of buses on highways cause increased fuel use to overcome air resistance.	With the planned improvements, we aim to save fuel and prevent wind noise and sludge pollution behind our vehicles. (Environmental and Social Impact)	Anadolu University	We plan to start mass production at the end of 2022.
Vehicle Lightening Project with Alternative Materials	Decreasing vehicles' weight significantly contributes to reducing emissions as the vehicles ultimately require less fuel.	As part of the vehicle development approach in line with foreign market regulations, we reduce weight in the body, chassis, seat carcass group, and composite outer cladding group parts. In addition to the developed parts, we aim to further reduce weight by using thinned glass and low-density mastic. (Environmental and Economic Impact)	Çukurova University	For the first time in Turkey, we produced composite cladding parts using carbon fiber and tested it on a vehicle. Furthermore, for the first time, we established a numerical analysis infrastructure by testing different composite materials and lamination parameters in the bus industry. Also, for the first time, we produced a 13-meter-57-person vehicle in compliance with the weight regulations of the British market.
Increasing the Range of Urban Electric Buses Project	We have designed smart algorithms to solve the short-range issue, which is the main problem when it comes to electric vehicles, and we have made weight reduction works with roof and body design changes and the use of alternative materials.	We aim to create an application that contributes to achieving emission reduction targets that have come to the fore with the EU Green Deal and the Paris Agreement. (Economic, Environmental and Social Impact)	Çukurova University	To minimize the inner-city transportation problem and reduce environmental pollution, we have developed a zero-emission, silent, vibration-free, smart electric bus with increased range.

Digitization and Technology

At TEMSA, we have gathered the activities that will take place in our digital transformation journey, which will continue intensively in the upcoming period under the umbrella of Driving Transformation. We are shaping TEMSA, which makes significant investments in technological transformation, into an automotive-focused technology company rather than an automotive company.

At TEMSA, we have continued our digital technology investments and projects that will ensure the continuity of our operations, and we have improved their efficiency in 2021, as is the case with every year. Our digital transformation projects include the Corporate Password Self-Service Platform, the Salesforce Sales and Pipeline Management Software, the Corporate File Sharing Platform, SAP, the Digitization of e-Invoice, e-Archive, and the e-Waybill Processes. We equate infrastructure improvement requirements with digital transformation. We have plans for future to implement a facility, infrastructure, system, and organization management configuration in line with Industry 4.0 standards. We allocated a total budget of 9.5 million TL to investments such as infrastructure, hardware, SAP, and QDMS. We develop competence development programs to increase digital transformation literacy at all levels. We manage our data security processes within the scope of ISO/IEC 27001:2013 Information Security Management System. In 2021, we started preparations for the ISO 22301 Business Continuity Management System.

SIRI (Smart Industry Readiness Index)

Developed by the Singapore Economic Development Board, McKinsey, Siemens, SAP, and TÜVSÜD, SIRI is one of the most effective global measures for Industry 4.0 transformation maturity programs. Thanks to this study, we determined the digital maturity score of our company both globally and locally in our sector and planned our digital transformation journey in the short, medium, and long term.

Focusing on the three pillars of Process, Technology, and Organization, the SIRI Digital Maturity Assessment examines the areas that require additional focus for the facility to be adequately prepared for the future, from leadership competence to integrated product lifecycle in 16 different dimensions.

Sustainability Impact of Digital Transformation and Technology Investments on Our Operations

Risk management	We conducted a business impact analysis. We carried out risk prevention studies by determining the resources, internal and external dependencies, and alternative business realization methods necessary for re-offering the goods and services determined within the scope of digital transformation and business continuity after an interruption. (Economic impact)
Economic performance	When it comes to digital transformation, especially the instant monitoring/reporting of sales processes, improving customer complaints/service management, and developing supply chain and production systems have created positive changes. Together with the SIRI Digital Maturity Assessment, we identified the points with the highest financial contribution. (Economic Impact)
Product quality/safety	As system improvements were realized through digital transformation projects, we started to manage production, product, and quality processes more systematically and with minimum error. As an impact measurement, the smoother operation of the systems is one of the most significant indicators. (Economic and Social Impact)
Employee engagement and employee development	Automating manual work with Robotic Process Automation projects, system improvements, and new digital transformation projects have positively affected employee development and increased motivation. In addition, we have carried out impact monitoring with Information Technologies satisfaction surveys. (Economic and Social Impact)
Data security	Digital transformation data security has led to the implementation of integrated security systems and has increased the rate of detecting potential threats and taking precautions. We have made data security risk predictions by performing regular tests. (Economic and Social Impact)
Overall production efficiency	With digital transformation projects related to production systems, the reduction of human-induced errors and a decrease in the disruption of processes with automated works show that digital transformation positively affects production efficiency. (Economic and Environmental Impact)
Plans for future	We are focusing on Product Life Cycle Analysis, Automation of Manual and High Risk of Errors, Excellence in Operation, End-to-End Supply Chain Management, as well as Domestic and International Integrated Systems.

SAP Data Processing System

EBA Document and Workflow Management

Robotic Process Automation

Activity and Pipeline Management for Salesforce Sales Teams

Alga & Otosoft ERP Software

Power BI Standardized Management Reports

Microsoft Office 365 (Gmail Accounts & Other Office Applications)

Areas	Targets	Completed Projects - 2021	Ongoing Projects - 2021
Digital Business Automation	• End-to-end production process optimization • Data communication and making sense of data • Intelligent automations with digital transformation • Robotic processes	5	6
Business Intelligence	• A more agile organizational transformation with the simplification of Business Processes • Implementation of necessary technology and infrastructure development • Minimizing cyber security risks • Implementation of culture, agile management, and organizational transformation actions • Fast and complete access to data with business intelligence and reporting infrastructure	8	5
Digital Business Resilince	• Digitization of engineering, manufacturing, and maintenance operations with Product Lifecycle Management (PLM) • Automation of product development processes with Product Development / Engineering Lifecycle Management (PDM/ELM)	3	5
Digital Business Sustainability	• Establishment of Sales-Dealer-Customer communication chain • Field workforce management • E-commerce and multi-channel integrations • Increasing customer loyalty with mobile application and connected bus integration	3	2

Digital Transformation 2021 Projects

Digital Business Sustainability

- IT Infrastructure - Sustainability and Security
- Inventory Standardization
- TEMSAPass Application & Single Password Login
- SAP Performance Improvement and Maintenance with
- Microsoft Office 365 Migration
- TFR Infrastructure Renewal (TFR: TEMSA France)
- IT Governance and Standards (Cobit, ITIL, ISO27001, TISAX)

- **3,435** infrastructure requests completed (100%)
- **1,964** devices were inventoried **- 300.000 TL** saved
- **40** multi-function printers ready to use
- SAP improvements **- 81%** complete, **57%** Disk usage increase
- 760 users **- 54.39 TB** of data migrated to Microsoft Office 365
- **352** devices were examined. **31** computers updated. Savings of **€30,000** per year by renewing ISP (Orange-SFR) contract for data connection

Digital Business Resilience

- ERP and Software Development – Maintenance and Agile Solutions
- Salesforce
- Location and Vaccine Application (Covid19)
- SIRI Assessment and Digitalization Roadmap Study
- TOMS - TEMSA Order Management System (Ongoing)
- Agile Transformation (FCS, Tender Team)

- **1,152** of **1,329** software requests were completed **(86%)**
- Operational productivity gain: **1.045** people/day
- Increasing Incentive Rate Project: Revenue **$70,000-150,000/per month**
- Salesforce year-end numbers: **165** offers, **204** active negotiations, **524** sales.

Digital Business Automation

- Robotic Process Automation

- **40** analyzed processes, **16** ongoing processes, **3 RPA** processes under live user testing
- Operational efficiency gain: **131 person/day**

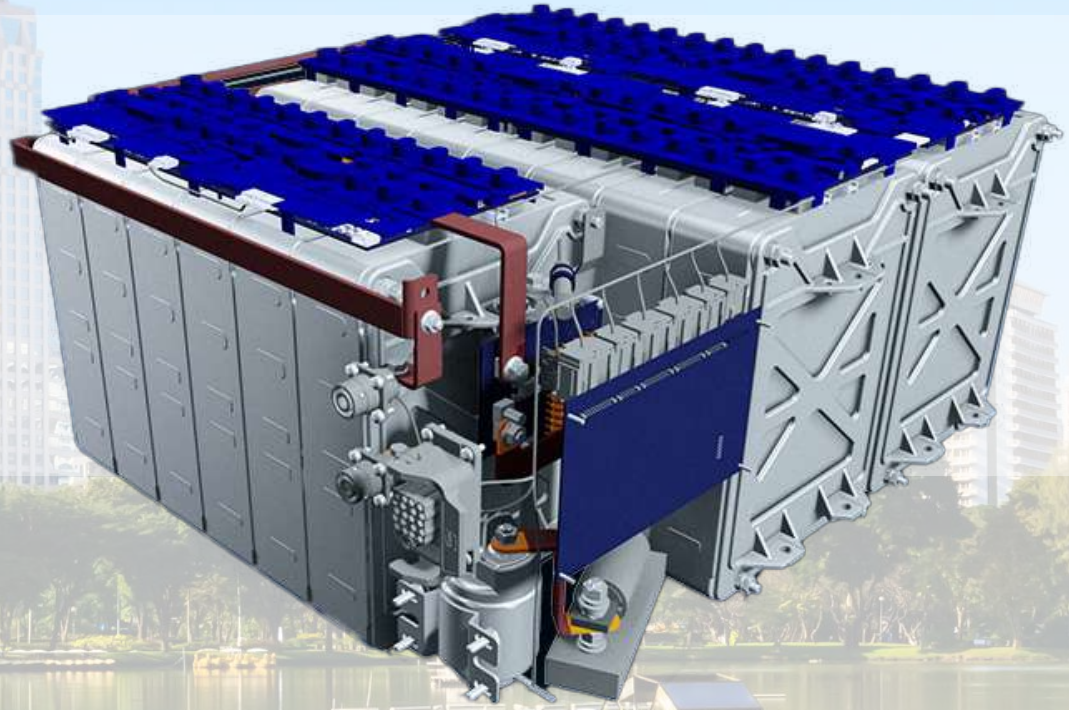
Business Intelligence

- End-to-End Reporting with Power BI

- **19** Dashboards completed: Quality, R&D, After Sales Services, Order Capacity Management, and Information Technologies

ECONOMIC IMPACTS AND LOW-CARBON GROWTH

We continue our work with confidence and determination and with the aim of maintaining our position among the sector's leading companies. By using our experience in modern urbanization and low-carbon public transportation, we contribute to the sustainability of transportation while supporting the Turkish economy with our value-added exports.



Economic Performance and Sustainable Products

At TEMSA, we allocate a large part of our investments to developing electric vehicles. The ratio of sustainability-oriented R&D and innovation investments in the total R&D budget was 45 percent in 2021, and the revenue we obtained from products that we define as sustainable products amounted to approximately 32 million TL.

We have been working on electric vehicle development for nearly ten years. As a result of these considerable efforts, we commenced mass production of electric buses for inner city and intercity use. In addition to electric vehicles, we conduct studies in many different areas, such as new battery technologies, fuel saving, power distribution, vehicle charging units, alternative fuels such as hydrogen, and charging stations.

At TEMSA, we have defined our sustainable products within the scope of our strategic sustainability efforts. In this context, we have identified 7 different products that we have placed in the sustainable products category, which provide benefits for directly reducing environmental resource use and carbon emissions.

In 2021, we generated 31,860,279 TL in revenue from said products. The ratio of sustainable products and service revenues to total revenue became 1.85 percent. 2021 was a year when our exports more than doubled. The share of our exports in our total turnover has exceeded 60 percent. We aim for 50 percent of the city buses we sell in 2025 to run with alternative fuels.

We design new-generation mobility solutions in accordance with our vision of smart mobility. By accelerating our work on autonomous buses, we plan to introduce autonomous vehicles to the market along with electric vehicles in 3-4 years. With the electric vehicles and battery technologies we have developed, we significantly reduce the carbon footprint of our products and minimize their environmental impact; as a result, we have developed different types of electric vehicles in urban and intercity segments.

TEMSA's Electric Vehicles

MD 9 electriCITY

The inner-city MD 9 electriCITY bus is a quiet, clean, pollution-free, and safe electric bus. This zero-emission vehicle is also energy efficient with its regenerative braking, an energy recovery mechanism.

This system allows MD 9 to charge the battery while still on route. Furthermore, it facilitates halfway charging at the last stop, thus increasing the range up to 60 km on a 150-kW charge within 20 minutes. The low center of gravity and direct drive system provides a safer and more efficient driving experience.

With this system, the MD 9 starts charging the battery while on the go, without the need to press the brake pedal.

Besides, it can increase its range to 60 km in 20 minutes with its 150-kW charger, thanks to its charging at the last stop. Finally, the vehicle's low center of gravity and direct drive system provides a safer and more efficient driving experience.

Avenue EV

As of 2020, we launched the Avenue EV electric bus, produced in cooperation with TEMSA and ASELSAN. Components such as the vehicle's electric motor,traction inverter, main computer, and instrument panel that were imported in the past were designed and manufactured locally by ASELSAN.

Avenue EV, which has the highest localization rate in the Turkish automotive industry, is offered to customers over a vast geography, primarily the European market.

With its short-term charging feature, it can fully charge in 15 minutes enabling it to travel up to 80 km in total. We anticipate that Avenue EV will reach higher sales in 2022, with TEMSA's sales activities and that of Skoda synergy.

Avenue Electron

Avenue Electron in the inner-city segment has a single-pedal driving system increasing the range of the vehicle by up to 15 percent.

A digital display is employed allowing the instrument panel to be customized for fleets.

Avenue Electron uses a compressor type heat pump to save power in its air conditioning system.

With gear selector programs, the power obtained from regenerative braking can be maximized, so the vehicle can recover 70 percent of its energy and increase its travel distance.

The Impact of Electric Buses on the Climate Crisis

The Avenue Electron model reduces fuel consumption by up to 528 thousand liters per year, resulting in a decrease of 1,400 tons of carbon emissions.

The MD9 ElectriCITY model reduces fuel consumption by up to 378 thousand liters per year, resulting in a decrease of 1,000 tons of carbon emissions.

1 AVENUE ELECTRON BUS PREVENTS CO_2 EMISSIONS FROM THE EQUIVALENT OF 88 AUTOMOBILES.

1 MD ELECTRICITY BUS PREVENTS CO_2 EMISSIONS FROM THE EQUIVALENT OF 63 AUTOMOBILES.

• It is assumed that the inner-city consumption for a 1.6 diesel engine vehicle is approximately 6 lt/100 km.
• The calculation of the fuel-saving value is since the vehicle is used for roughly 100 thousand km per year.
• When 1 liter of diesel fuel is burned, approximately 2.65 kg CO_2e is released.
• Passenger carrying capacity is determined as 88 for Avenue Electron, 63 for MD9 Electricity, and 5 for regular automobiles.
• CO_2 emissions from the tank to the wheels, as well as emissions from oil extraction and production, are not considered.

Product Safety and Quality Management

As an export-oriented company, ensuring global customer satisfaction is among our priorities. Therefore, we adopt a customer-oriented approach that produces special solutions for each customer with high quality and product safety standards.

Our products' quality, reliability, and longevity constitute our corporate quality targets. We carry out all our processes by considering the ISO 9001: 2015 Quality Management Systems Standard and associated legal obligations. In addition to our products that best meet customer needs and expectations, we also maintain quality targets in sales, after-sales services, and all processes that support them.

We receive and resolve customer feedback through our call center, Marm Assistance. We follow customer feedback and problems detected in the factory at every stage. We create solutions to these problems at our weekly meetings. With Inspect, the system we employ, we transform visual and functional errors into a measurable database, ensuring that data related to these errors are collected, analyzed, and reported. We utilize the visual factory platform, which visually lists which station the vehicles are in and displays detailed information about these vehicles, such as modifications, missing materials, and errors.

QUALITY PROCESS

QUALITY CONTROL

- Supply Quality Control
- Final Quality Control
- Process Quality Control

QUALITY ASSURANCE

- Corrective and Preventive Actions (CAPA)
- Product Quality Requests (PQR)

QUALITY PLANNING

- Dynamic Control Plan
- Quality System Management

The impact of R&D studies on product quality can be found under the title R&D and Innovation.

The impact of digitalization efforts on product quality can be found under the title Digitalization and Technology.

Lean manufacturing

We use lean manufacturing techniques to shorten customer delivery times and prevent waste by optimizing resources in our business processes.

In this context, we carry out studies to prevent errors as well as eliminate transactions that do not add value in business processes, unnecessary material and labor, unnecessary stocks, and long preparation times.

Responsible Procurement and Supply Chain Management

Our value chain covers many different stages, starting with the production of raw materials by our suppliers to the delivery of our products to our customers. We work with our suppliers with a common code of ethics and cooperate to improve their performance regarding environmental and social issues.

Vehicle production has a complex and global structure that requires many different inputs. The Covid-19 outbreak affected the supply chains and caused significant changes. Localization came to the fore due to interruptions in the global supply chain. As of the end of 2021, we work with a total of 1,764 suppliers, 82 percent of which are local. 55 percent of our procurement payments are paid to local suppliers.

Many businesses in a variety of sectors, from automotive to technology, including TEMSA, were affected by the crisis caused by the increasing global demand for chips and the inability to meet this demand. To effectively handle such risks at TEMSA, we have identified products that could disrupt production in the supply chain. Despite the protracted supply processes, we have effectively managed stocks through a more comprehensive forecasting study for suppliers and with early ordering. We are creating a stock policy for effective supply chain management for the upcoming period.

Responsible Sourcing Practices

In 2021, we published our Responsible Purchasing Policy which includes the principles we expect our suppliers to comply with regarding environmental issues, including resource use and waste management, as well as social issues, including human and labor rights, plus ethical issues, including the fight against corruption and bribery. In this context, we gradually conduct audits with our suppliers through self-assessment surveys.

TEMSA's Responsible Procurement Commitment

At TEMSA, we request all our dealers, suppliers, and customers with whom we carry out our commercial activities to sign our commitment letter, which covers issues of Sanctions and Export Controls, Anti-Bribery and Corruption, Prevention of Laundering of Proceeds of Crime and Financing of Terrorism, Universal Human Rights, child labor and environmental regulations.

Sustainable Sourcing Performance	Results
The ratio of suppliers signing the Supplier Code of Ethics	65%
The ratio of supplier contracts with environmental, labor, and human rights requirements	50%
The ratio of suppliers among targeted suppliers that pass the sustainability assessment	We will start evaluations in 2022.
The ratio of suppliers subject to the Corporate Social Responsibility (CSR) self-assessment survey (12 of our 16 most impactful suppliers)	75%
The ratio of participants among the purchasing teams (and other employees with purchasing authority) taking part in sustainable sourcing training	77%

German Supply Chain Law

In this context, compliance with Universal Human Rights rules, prohibition of child labor, and environmental protection regulations are included in our TEMSA Compliance Policy and Code of Ethics.

Sanction Lists

For Prohibited Countries and Regions, we use the Sanction Trace application, which integrates the sanction lists published by the relevant institutions and organizations in the US, UN, EU, and UK, to assess 3rd party risks.

Thus, we identify real and legal persons who have been the target of sanctions due to Human Rights Violations, Child Rights Violations, Violations of Environmental Regulations, and companies located in Prohibited Countries and regions, and we do not work with these companies.

ENVIRONMENTAL IMPACTS AND SUSTAINABLE OPERATIONS

At TEMSA, we manage our environmental impacts by considering our entire value chain; we conduct R&D studies that will minimize the environmental impact caused by our products and we aim to reduce the impact arising from our activities with different practices such as the Sabancı Holding End-to-End Value Chain Decarbonization Project.

Emissions Management and Combating Climate Change

At TEMSA, we take responsibility for combating climate change and do our part by developing technologies that will directly minimize our products' carbon emissions and decrease energy density in our operations. In addition, we prioritize our aim to be completely carbon-neutral in all our operations by 2050.

We direct all our operations to comply with ISO 14001:2015 environmental management systems; we also have ISO 50001:2011 energy management systems certification. Within this year, we have spent a total amount of 363.000 TL* for environmental purposes.

We carried out projects such as changing lights in our production lines and surroundings, preventing heat loss, and changing our low-efficiency motors. In 2021, we measured our energy consumption at 21,669.55 MWh and our greenhouse gas emissions at 7,847 tons of CO_2. In this context, the energy density obtained by the ratio of energy consumption to turnover was 12MWh/million TL, and the greenhouse gas density was 4.6 tons of CO_2e/million TL. ** Our greenhouse gas reduction in 2021 was 708 tons of CO_2.

At TEMSA, in terms of combating climate change, we conduct the following:

Projects to decrease energy loss and transfer to more efficient technologies.

Studies concerning the feasibility of producing renewable energy and plans for supplying green energy.

Investments towards hybrid and electric cars to decrease our vehicle fleet's carbon emissions.

Electrification at TEMSA

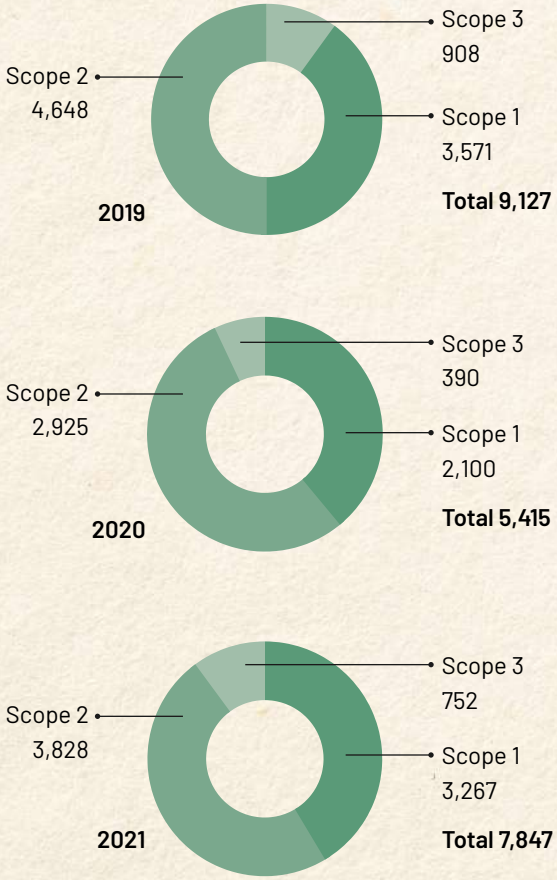
** Mandatory expenses are included.*

*** In 2021, Sabancı Holding and Group companies received limited independent assurance in the reporting process.*

Energy Efficiency at TEMSA

According to an energy audit report conducted in our facilities in March 2021, we completed the lighting revisions of production lines, thermal insulation applications, and adjusting burner-to-air fuel ratios projects. In total, we saved 1,549,486 kWh of energy in total, thus preventing 363 tons of carbon emissions and saving 475,351 TL.

Greenhouse Gas Emissions (tonnes of CO_2e)



TEMSA's Emissions Profile Report

Based on our 2021 Scope of 1,2 and 3 emissions, we decided to start an emission profile study that will consider our entire value chain in order to set our 2022 targets on the basis of more comprehensive and scientific data.

Within the scope of this study, we started to calculate and review our total Scope of 1 and 2 greenhouse gas emissions between 2017-2021 and our greenhouse gas emissions on a category basis.

Our most important finding in this context was as follows: Category 1 (purchased goods and services) with 4.5 percent and category 11 (use of sold products) with 95.4 percent account for 99.9 percent of the Scope 3 total emissions. With the transition to electric vehicles, we expect a significant reduction in TEMSA's Scope 3 emissions in the coming years.

MY ENERGY IS THE SUN

The objective of the project: To create a new market and alternative use for used bus batteries.

To develop a DC electric vehicle charging station, which will be integrated with solar energy systems and function off the grid via battery support.

Institution Collaborated: Our Group company, EnerjiSA

Time frame: June 2021 / June 2022

The Department Running the Project: The Department of Business Development and Head Office of R&D and Technology

Current Progress and Challenges: We set up a DC vehicle charging system which consists of four CCS2 type output up to 100 kW. The system's energy storage capability is 140 kWh, and we used two 70 kWh TEMSA batteries.

As it is a prototype, we faced many difficulties during design and production, but we overcame all our issues with our determined collective mindset and excellent research.

Financial Results and Achievements: The TEMSA energy-providing vehicle charging station will be placed in our product portfolio as an innovative product.

Social Results and Achievements: We contributed to the infrastructure of electric vehicle charging stations both domestically and internationally.

Environmental Results and Achievements: The unit provides the energy needed to charge electric vehicles from a renewable energy source: the sun.

Corporate Results and Achievements: It is an exemplary application in terms of cooperation between group companies. Moreover, this represents a concrete example of Sabancı Holding's future vision.

Plans for Future: After the pilot testing process, we will release this product domestically and internationally.

DECREASING VOC (Volatile Organic Compound) PROJECT

At the beginning of 2021, after the draft of the new "Communiqué on Integrated Pollution Prevention and Control for Surface Treatments with Solvent in the Automotive Sector" was published and opened for comment, we conveyed our opinions resulting from our studies on this subject to the OSD (Turkish Automotive Manufacturers Association).

In our current facilities, the annual solvent consumption limit value for 'New Bus Painting' is 225 g/m^2 for 2,000 units or less per year, and 290 g/m^2 when the amount exceeds 2,000 units per year, until 31 December 2026 in accordance with the Industrial Air Pollution Regulation. We plan to reduce this figure to 150 g/m^2 by 2027.

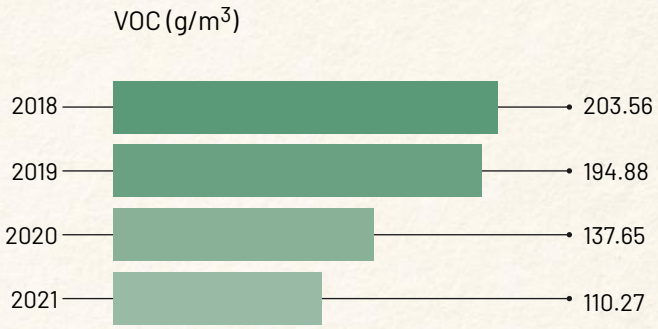
While making VOC calculations, we produce detailed analyses, including each bus's surface area, used chemicals' names and their amount, etc. In this context, we analyzed our old VOC reports, found points we could improve upon, and started implementing said improvements.

As a result of our work:

- We recalculated all our midi-bus and minibus surface areas due to design changes over the years.
- We realized that the parts brought to our cataphoresis facility were not in the reports, so we included them.
- We have updated the solvent ratios in the topcoat, primer and wastes by researching the chemicals we currently use.
- We decided to change some of our chemicals to more environmentally friendly and less solvent-included options rather than high solvent concentrated chemicals.
- We shared the decisions with our manufacturing unit by organizing a meeting, and we made sure that all necessary actions were taken.

As a result of our efforts, we achieved a 46 percent reduction in 2021 compared to 2018.

(In 2021, the previous year's report was prepared and submitted to the ministry. Improvements were first implemented while the 2020 report was being prepared.)



Waste Management and Circular Economy Practices

At TEMSA, we support a circular business model in which dwindling resources are repurposed to provide more efficient use. In addition, we are working to reduce waste according to our 2045 Zero Waste Vision.

To reduce waste at the source, we pay attention to the selection of raw materials, auxiliary materials, and operating materials, as well as the choice of processing method and the type of energy used. At the last stage, we determine the reason for the creation of waste; and search for options to reduce it, otherwise we re-use, recycle or reintroduce it back into the economy. With this model that reduces environmental pollution, we also strive to increase our savings by reducing the purchase of resources. Finally, we classify waste as "recyclable/non-recyclable" or "hazardous/non-hazardous" and we regain 100 percent of waste according to the legal procedures defined in legislation or deliver it to licensed organizations to be recycled. Our actions relating to wastewater management can be found under the title "Water Resources Conservation and Management."

Our Waste Management Operations

By adopting the Zero Waste principle of the Ministry of Environment, Urbanization and Climate Change, we ensure the recycling of waste by separating it at the source and delivering it to facilities licensed by the ministry. We received the "Basic Level Zero Waste Certificate" approved by the Ministry in November 2020. Moreover, we raise the awareness of our employees in line with the Zero Waste principle.

We are working to reduce and recycle single-use plastics used in production facilities and offices. Furthermore, we aim to use recycled paper cups and sustainable product alternatives such as biodegradable bags instead of plastic bags.

Reducing Single-use Plastics

At TEMSA, our plastic consumption, which was 12.35 tons in 2020, increased to 14.48 tons in 2021. In 2021, we aimed to reduce the use of plastic in the office by 10 percent. On the other hand, our production volume increased approximately 2.5 times in 2021 compared to 2020, and our plastic use has increased by 18.7 percent (2,305 kg) compared to 2020. Furthermore, the low levels of plastic consumption in the office as a result of the pandemic in 2020, also played a critical role in the subsequent deviation from our target.

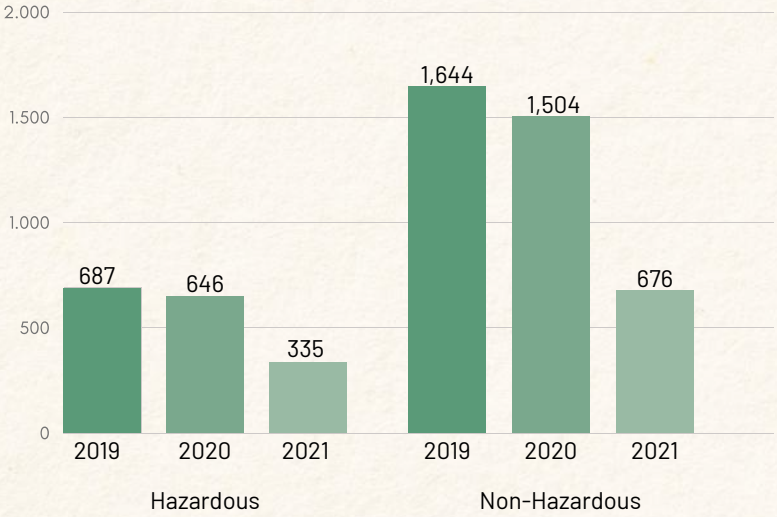
Despite all these developments, we prevented the generation of 1.8 tons of plastic waste in 2021, compared with our production performance in the year the target was set.

We aim to end the consumption of single-use plastics in specific categories in our offices by 2024.

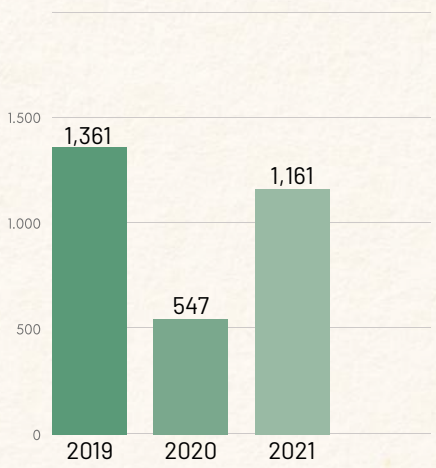
Waste Management Performance

We reduced waste per vehicle by 57 percent, compared to 2019.

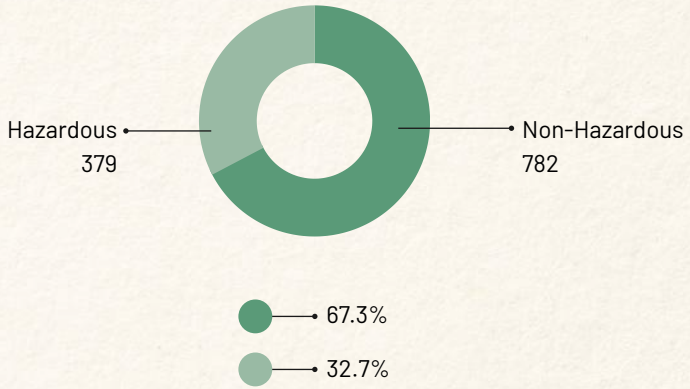
Our Waste Reduction Performance (kg/bus)



Total Waste (tonnes)



Wastes by Type (tonnes)



Training

We provide training to our employees and develop projects and applications so that the concept of circularity can be better understood. In addition to our employees, we also train our suppliers on using hazardous chemicals. We have provided our employees with 2,932 hours of training on sustainability and the environment.

The waste sorting bins in our offices at TEMSA (plastic, paper, glass, domestic)

The waste sorting bins at TEMSA production facilities (plastic, paper, glass, domestic, hazardous, metal)

Water Management and Resource Conservation

Although we do not have a big impact on water resources due to the sector in which we operate, we implement effective water management and work to reduce the impact of wastewater on the environment. In addition to our water footprint, we focus on water consumption in the value chain.

We acquire most of the water used at TEMSA from underground springs. As a result, we are aware of the physical and financial risks that may occur because of water outages in our operations' territories. To ensure the sustainability of our work, we run projects focused on efficiency and recycling. Increasing the tap water lifespan in our processes and utilizing rainwater as an alternative are good examples of projects that we focus on. In addition, we reduce our chemical usage and use environment-friendly auxiliary products to prevent water pollution.

Our Treatment Facilities

Our treatment facility, designed to contain 100 m^3/day industrial wastewater and 330 m^3/day domestic wastewater, conducts physical, chemical, and biological treatments and discharges wastewater according to legal pollutant parameter limits.

Accredited lab analyses are conducted periodically to determine the quality of the wastewater. In addition, we focus on enabling the reuse of our discharged water from our treatment facilities by recycling, using it to water the garden, and for other appropriate processes.

Reuse of Water That Has Been Used in the Shower Test

We subject the busses we produce to precise side and ceiling water leak tests in the IS 11865 approved shower test cabin under 2.5 bar pressure.

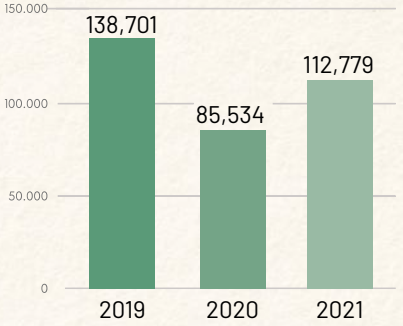
All our vehicles are tested under a simulated environment of heavy rain conditions for 20 minutes. Then, if we discover that the vehicle is leaking water, we attend to necessary repairs, and the vehicle goes through the shower test again.

To reuse the water used on the shower test, we collect it in a dedicated container. Then, we used the collected water to conduct another shower test.

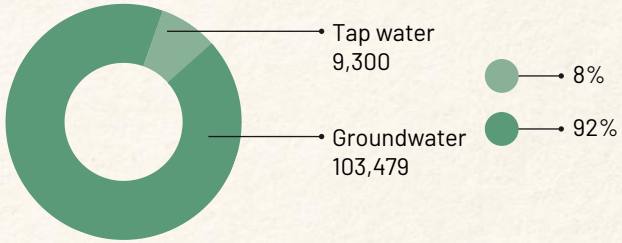
Because of our photocell system, we save 90 m^3 of water per vehicle. In every test, we use 4.5 m^3 of water per minute and continue using the same water with minimum additions.

Water Management Performance

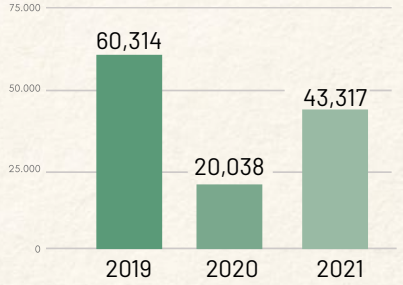
Water Usage (m^3)



Water Withdrawal by Source (m^3)



Wastewater Discharge (m^3)



Other Environmental Impacts

Material Management

At TEMSA, we pay the utmost attention to the efficient use of materials, especially chemicals, and their reuse by recycling where possible. Since 2020, we have received requests from our external stakeholders, mainly customers, regarding using recycled intermediates in production. Therefore, in the upcoming term, we will be increasing our research in this regard.

Using Recycled Materials

We use styrofoam recycled from plastic for our TEMSA buses' engine compartments, ceilings, and side walls.

About 60 percent of this material consists of recycled materials, mostly from plastic bottles.

Reducing Material Use

We treated our vehicles with phosphate to improve corrosion resistance and reduced the number of screw mountings, resulting in material savings.

Conservation of Biodiversity

At TEMSA, we are not legally obliged to protect biodiversity within the scope of our Environmental Impact Assessment Report (EIAR). Still, we focus on clean production processes and technologies for the protection of natural resources, waste and emission management, and prevention of water, soil, and air pollution.

TEMSA Environmental Impact Assessment Report (EIAR)

According to the TEMSA Global San. ve Tic. A.Ş Vehicle Production Facility Supplementary EIAR (Environmental Impact Assessment Report) and the EIA Regulation, published in the Official Gazette dated 03.10.2013 and numbered 28784, the impact area of TEMSA operations do not overlap with areas protected in accordance with our country's legislation. These areas are defined as follows.

- "National Parks," "Natural Parks," "Natural Monuments," and "Nature Reserves"
- Wildlife Protected Areas and Wildlife Development Sites
- Areas defined as having "Cultural Heritage", "Natural Heritage", and "Conservation of Cultural and Natural Property"
- Aquacultural Resources Production and Reproduction Zones
- Areas defined in the Water Pollution Control Regulation
- Areas that have been reported in Air Pollution Control Guidelines as "Delicate Contamination Zones"
- Areas that have been found and reported as "Special Environment Protection Zones" in Environment Law
- Areas that are under protection in accordance with Bosporus Law
- Areas that are defined as forests under the Forest Law
- Areas where construction projects are prohibited in accordance with Coastal Law
- Areas that have been specified in the Law regarding Amelioration of Olive Cultivation and Vaccination of Wild Olives
- Areas that are specified under Meadows Undisturbed Law
- Areas that are specified under the Protection of Wetlands Legislation

SOCIAL IMPACTS AND PEOPLE-ORIENTED ORGANIZATION

As a technology company that offers smart and sustainable mobility solutions worldwide, we believe that we can only achieve our strategic goals through a people-oriented organizational structure. Therefore, our priority is to invest in developing the talents of our employees, to ensure their satisfaction, and to provide a healthy, safe, equal, and fair working environment where they can continuously develop.

Employee Health and Safety

At TEMSA, we carry out our production processes without harming people or the environment, and we consider it among our fundamental responsibilities to protect the health of all our stakeholders working in our factories, to provide a safe work environment to our employees, suppliers, and business partners. In 2021, we invested approximately 2.3 million TL in developing our health and safety practices.

We adopt international standards beyond legal obligations to continuously improve our performance regarding employee health and safety (EHS). We carry out all our operations in accordance with our ISO 45001 Occupational Health and Safety Management System Certificate. Our company's top executive responsible for EHS is the Deputy General Manager of Operations, who reports directly to the CEO.

Health and Safety at TEMSA

Management of EHS Risks

Our EHS unit evaluates any EHS risks we may encounter in the field at the simulation center. Among the practices we adopt to identify risks are daily field controls, unannounced field visits every two weeks, daily field inspection of employees called danger hunter inspections, and field inspections carried out by each unit. We report any identified risks, follow up and take the necessary precautions. In 2021, we completed risk analysis studies in 100 percent of our facilities.

EHS Board

Within the scope of the EHS board, which represents 100 percent of our staff, employees from related directorates are included such as union representatives, employee representatives, team leader representatives, human resources representatives, and an administrative affairs supervisor. In addition, the OHS Board plans and monitors its work on the risks identified at monthly meetings.

Employee Engagement

Within the scope of the Improvement Suggestion System, employees can quickly report the OHS risks they encounter in the field via the web and mobile system. In addition, evaluations are made with the Kinney risk analysis method for any risk filed in our facility. In this way, we can quickly make any necessary improvements. Next year, we plan to implement a system where all units can easily report risks via the QDMS Integrated Management System.

Occupational Disease Surveillance

Within the scope of the Health Commission's studies, we make evaluations to protect employees' health in line with findings regarding occupational influence as a result of the periodic examination, and we guide employees in the best way possible. We did not detect any occupational diseases in 2021.

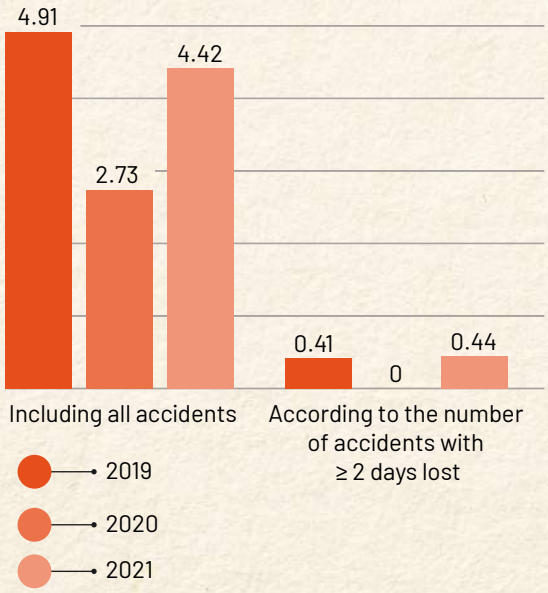
OHS Trainings

We provide on-the-job training (OJT), behavior-based safety training (BBS), informative training after work accidents and near misses, and personal protective equipment training to increase awareness of OHS and prevent occupational accidents. In 2021, we provided 11,503 hours of health and safety training to our employees and 103 hours to our subcontractors.

EHS Performance

During the reporting period, ten accidents occurred at our facility. There were seven days of absenteeism due to said accidents, and the lost workday rate (LWR) was 0.60.

Accident Frequency Rate



2021 OHS Activities

Zonal Emergency Drills:
2 times a month - 24 zones

Machine/equipment periodic checks and maintenance:
8,217 times

OHS controls and improvements of construction equipment:
58 times (every 3 months)

Fire detection and extinguishing system controls:
1,594 times (monthly and quarterly)

Hazard and risk assessment study:
21 zones

Unannounced field inspections:
54 times

5S cleaning and order inspections:
121 times

Danger Hunter inspections:
5 individuals per day


TOGETHER
WE ARE
STRONGER

In March 2020, we formed a **Corona Virus Team** to tackle the Covid-19 pandemic. The team regularly meets every week to make decisions on necessary measures and ensure their implementation. In addition, comparison studies are carried out regarding applications in our domestic and foreign factories. To document these works, we passed an audit and, as a result, are entitled to receive a Healthy Workplace Certificate.

Pandemic Period Health Practices

- **TemSAĞLIK** to support employees in protecting their mental and physical health during the pandemic period
- **Location TEMSA** application for the detection of Covid-19 infected employees
- **Health Center** for on-the-job and return-to-work controls, periodic controls, controls of employees at risk, and vaccinations
- **Health First** webinars with our occupational health physician
- **Back to Work Guide** consisting of twelve main topics

Zonal General Drills

At TEMSA, we conduct regular drills so we can be fully prepared for Emergencies and Natural Disasters.

In addition to the fire and first aid drills which take place during both the day and night, we also conduct environmental-chemical spill and MAPP (Major Accident Prevention Policy) drills.

Simulation Center

At the TEMSA Simulation Center, we provide on-the-job training, behavior-based safety training, informative training after work accidents and near misses, and personal protective equipment training and preparatory work to prepare for the dangers and risks that employees may encounter in the field.

Unannounced Field Visits

Our unofficial field team includes our managers, team leaders, and employees, and with their coordination, we conduct unannounced inspections in different zones at regular intervals. This way, we ensure that areas that need improvement are identified, and action is taken quickly.

Hazard and Risk Hunters Inspections

Hazard and risk hunters consist of and are determined by employees working in production. They carry out inspections in different production areas guided by their own opinions and inform managers and team leaders about which precautions need to be taken.

Employee Rights and Satisfaction

At TEMSA, when designing human resources processes, we protect our employees' working rights and prioritize practices that will strengthen their sense of belonging. We provide an environment where they can easily express their views, encourages participation and socializing outside work, and rewards success.

At TEMSA, we see our employees as our most valuable assets. We offer a working environment in line with fundamental human rights, especially occupational health, and safety. We keep internal communication channels open so our employees can constantly support management with their ideas and suggestions, and we allow participation in volunteering projects. We help employees balance their private and business lives when it comes to special days. We also support club activities so that our employees with shared hobbies can socialize. Our ultimate goal is to keep our talented employees at the company for the long term.

TEMSA Human Rights Policy

Our Human Rights Policy, which we prepared for in 2020 and includes our employees and external stakeholders, came into effect as of January 1, 2021. Our policy includes preventing discrimination, promoting diversity, preventing child, and forced labor, providing a working environment free from abuse or violence, and ensuring freedom of collective discussion as well as a healthy & safe environment.

At TEMSA, we are committed to upholding the fundamental rights of our employees, as outlined in the Universal Declaration of Human Rights, the International Labor Organization (ILO) Conventions, the United Nations Global Compact, the United Nations Business and Human Rights Principles, and the OECD's Guidelines for Multinational Companies. We have developed a policy based on these principles to guide our actions. Employees can report any concerns related to these issues through the **TEMSA Ethics Line**.

TEMSA STAR

At TEMSA, we value the happiness and engagement of our employees and encourage them to share their ideas and work. To support this, we have consolidated our recognition and reward processes under the TEMSA STAR program.

Golden Collar Awards: The Golden Collar Awards recognize and reward outstanding projects, practices, and business models within the Sabancı Group. These awards foster collaboration and encourage group companies to set a high standard for one another. TEMSA considers it vital to participate in these awards. (2021: 7 Men)

Changemaker Awards: The Changemaker Awards recognize and reward the most outstanding projects, practices, and business models at TEMSA. We believe that by honoring and recognizing the efforts of our employees in categories such as Digitalization and Continuous Development, Innovation, Customer Experience, Sustainability, and 'Sabancı of the New Generation,' we can inspire and motivate one another to achieve excellence. (2021: 12 Women - 52 Men)

Committed with Passion Awards: The Committed with Passion Awards are presented to employees who have demonstrated a long-term commitment to TEMSA. These awards recognize and honor the dedication and service of our employees who have been with the company for many years. (2021: 1 Woman - 93 Men)

TEMSA Dreamers: TEMSA Dreamers is a platform for employees to freely express and implement their ideas using an agile approach, with the potential to be rewarded based on the success of their projects. It is a new initiative designed to encourage and support value creation within the company. (2021: 25 Women - 2 Men)

Retirement Award: Awards given to TEMSA employees who retire while at the company. (2021: 4 Men)

Maternity Package: The maternity package is a benefit offered to employees who have recently given birth. (2021: 4 Women)

TEMSA DREAMERS

Employees can freely express their innovative ideas with TEMSA Dreamers, one of the TEMSA Star practices we launched in June 2021. Agile teams, which are approved by the Coordination Office, which consist of 11 volunteer members, and the Value Management Committee, which has 10 members, are established to turn ideas into fully implemented projects. At the successful realization of each project, 5 percent of one year's earnings is distributed equally to the employees who worked in the team responsible if they are still employed at the company. In 2021, we implemented 23 new ideas from our in-house employees.

TEMSA CLUBS

Employees can form clubs voluntarily based on their interests. These clubs operate in scientific, social, cultural, artistic, and sports fields without profit motive.

TEMSA employees who have shared hobbies come together with TEMSA Clubs. TEMSA covers event expenses within a certain budget. TEMSA Clubs: Water Sports, Cycling, Table Tennis, Football.

Internal Communication and Satisfaction Surveys

At TEMSA, we organize events and activities to facilitate communication and collaboration among employees from different departments. We also hold Town Hall meetings at the end of each quarter to share business results with our employees. To gauge employee satisfaction, we send out the TEMSA Journey Experience Survey, which consists of 15 questions, to our employees every month.

This survey helps us measure and monitor employee satisfaction with the start of their career at TEMSA and with general working processes. In addition, we regularly assess satisfaction with services such as in-house IT and transportation.

Practices Specific to Full-Time Employees

We prioritize the well-being and satisfaction of our full-time employees by offering various benefits and developing practices that support their needs. We also strive to standardize these practices across all our locations in Turkey and foreign subsidiaries.

Birthdays: All TEMSA employees are allowed 1 day off during the month of their birthday.

First Day of School: All TEMSA employees are allowed 1 day off when their children start kindergarten, 1st grade or when they receive their school report cards.

Welcome Kits: We provide a "Welcome Kit" for our newly recruited employees on their first working day.

We provide our employees with a range of fringe benefits, including private health insurance, life insurance, and a private pension plan, as well as company vehicles for certain positions. These benefits are based on the seniority of each employee's role within the company.

Topics Covered by Collective Labor Agreement*	The Collective Labor Agreement covers 67.9 percent of our employees. The ratio of our elected employees and our represented workers is the same as with the Collective Labor Agreement. **(GRI 102-41)**
Employee Representatives' Duties and Responsibilities	
Resolution of Complaints and Disputes	
Working Times	
Compensations	
Fees and Benefits	
Social Benefits and Leave	
Occupational Health and Security	

Employees With Right to Work Remotely	2020	2021
White Collar Remote Working	106	At TEMSA, all white-collar employees have the right to work remotely three days a week.
Human Resources DGM	11	
Financial Affairs DGM	16	
Operations DGM	22	
Sales and Marketing DGM	11	
R&D and Technology DGM	10	
After Sales Services DGM	36	

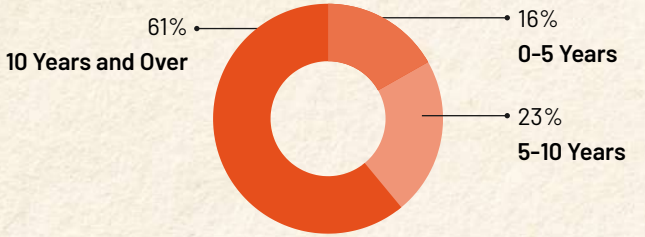
** Education and Career Management are not included.*

Talent Management

At TEMSA, we support existing employees who wish to acquire new skills and include new talents in our teams so they can adapt to changing job descriptions with digitalization and automation processes. In line with the Adaptation to the Future of Work project developed by the Sabancı Group, we adopt a model consisting of seven main topics, covering all elements of future work, ways of doing business, working environments, and the workforce.

We designed TEMSA Road as a guide that supports the career development processes of TEMSA employees. In this context, our recognition and reward program, TEMSA STAR, can be found in the Reward category, while the Perfx Performance Management System process can be found in the Objective category. Within the Appraisal category, Road interviews, which envisages career interviews to support the career development processes of employees and the Organizational Success Plan (OSP) are followed. Finally, in the Development category, TemPO Training and Development is a human resources process that continues throughout the year.

Employees by Employment Duration



A total of 119 applications were received from our employees for the 41 internal job postings we submitted in 2021. 29 of our 68 employees who applied have started their new duties with an internal assignment. The employee cycle rate was 6.6 percent in 2021.

TEMSA TALENT STATION

We have created a career program called TEMSA Talent Station to attract young talent. Students in their third or fourth year at university and postgraduate students can apply to the program; those selected for the program must have worked at TEMSA for three months. Our main aim is for each participant to get to know our company better. Those taking part come together with the deputy general managers at certain times and share their experiences and knowledge.

Talent Management at TEMSA

2021 Talent Station Performance

- 17 Participants from Target Universities
- 3 Months Project Based Work
- 3 HC Full-Time Recruitment
- 6 HC Part-Time Employment
- 2 Training Sessions from Brisa Academy
- 3 Social Events
- Meeting with CEOs and DGM
- Meeting with the Head of SBU

We launched the TEMSA Road Guide in June 2021.

- 56 Road Interviews with Managers
- 41 KF360 Inventory
- 112 KF4D Inventory
- 17 Learning Agility Inventory
- 95 employees, consisting of 41 Specialists -Engineers, 31 Executives and 23 Managers, took part in the backup.

1 EMPLOYEE - 2 PROFESSIONS

Goals and Targets: By increasing the professional capabilities of our employees, we continue to provide competencies TEMSA will need for future development. The starting point of our "1 Employee 2 Professions" project, which has been ongoing since 2017, was to increase our employees' professional competencies and to encourage employees to gain certification in more than one profession. In addition, with our colleagues, whom we call Jokers, we aimed to increase their ability to rotate and maneuver quickly to meet the varying workforce needs that may occur in production lines.

Project Highlights: TEMSA was the first company to open a School Class in the workplace. During the 2017-2020 period, 607 of our employees received 'Certificates of Mastery', and 78 of our employees received 'Master Training' certificates. In 2021, 225 of our employees received 'Certificates of Mastery,' and 45 received 'Master Training' certificates. In addition, in 2021, we opened a Master Class on "High Voltage Systems" for 110 people working in the Electric Bus department. They will graduate between May and June 2022 and are each entitled to receive a 'Master Training' Certificate.'

School-Industry Cooperation: Before the project, we contacted the Ministry of National Education General Directorate of Lifelong Learning to support the Çukurova Vocational Education Center's aim to become one of 7 Specialization Centers.

Within the project's scope, Adana Çukurova Vocational and Technical Education Center instructors provide formal education within TEMSA. At the end of the training, exams are held at the TEMSA Training Center. We have received 4 million 200 thousand TL in government support so far for the project.

Social Results and Achievements: Our employees have obtained proficiency certificates in more than one field.

As employment stability was ensured, employee motivation increased, and feelings of trust and loyalty towards the company were reinforced.

Our project had positive contributions to business culture and business transformation.

This project had a positive impact on raising awareness that robotic processes will replace some professions over time.

By diversifying the professional qualifications of employees, we reduced the likelihood of unemployment due to shifts in businesses practices.

Corporate Results and Achievements: By increasing work skills and technical knowledge capacity, we primarily reduce the risks of work accidents and occupational diseases. We aim to increase the potential of "workforce backup" by increasing job enrichment.

As a result, we achieve high quality and efficiency.

Our 1 Employee - 2 Professions project was selected as the 3rd most effective practice in the Common Futures Project Competition of TİSK, the Turkish Confederation of Employer Associations.

Plans for Future: To open new classes in new professions to replace our 163 employees who will graduate in June 2022, to open new classes in "High Voltage Systems" for our employees in the electric bus department, to provide new 'Certificates of Mastery' to our employees in professions where Professional Competence will be compulsory in the future.

PERFX Performance Management Application

We aim to ensure that our employees adopt our company's strategic goals, and we wish to contribute to a high-performance culture by improving employees' individual performances.

We implement the Perfx Performance Management Application, which consists of three steps: goal setting, continuous performance, and year-end evaluation, in which we impartially evaluate employees' performances.

We offer high-performing employees, who use the application effectively, various opportunities to advance their career journeys. In line with their performance results, we offer employees high-quality career development plans so they can reach their full potential and we support them with training. In 2021, 100 percent of white-collar employees were subject to performance evaluation.

Our initiatives within the scope of sustainability and our KPI-based targets can be found in the Goals and Competencies section of the Perfx Application.

Performance and Renumeration

The results of the performance management application also provide input when it comes to the remuneration process. The main objective of the remuneration system is to maintain a fair approach and to ensure wage balance within the company according to the market, considering changes in the market. Therefore, while determining wage increases, which we review and evaluate three times, we consider the market wage provisions of the positions, inflation, and performance criteria.

TEMPO Training and Development Process

We design this program by considering employees' development and the company's strategic goals. Then, assessing current and future organizational needs, we create development plans for corporate development and leadership, business excellence, competence, and technical and personal development. In 2021, we provided a total of 22,752 hours of training to our employees.

Development Programs: With our Development Programs, we offer online training that white-collar employees really need. We provide business excellence training that improves employees' knowledge and capabilities. In addition, we organize competency development training that will bring current leadership types and competencies to the expected level according to ILS, OCS, and KF 360 results.

Online Training: To support the development of employees during the pandemic period, we provided access to MESS Online Training and thousands of external online training options, including access to top universities such as Harvard, Yale, and Princeton.

On-the-Job Trainings: Blue-collar candidates who are about to start new jobs participate in the İŞKUR On-the-Job Training Program. We provide candidates with theoretical and practical basic training for 10 days. The duration of the On-the-Job Training Program ranges from three to six months. Depending on the theoretical exam result and the evaluation of the assembly supervisor or team leader, the recruitment process of the candidates is then completed.

AGILE TRANSFORMATION AND SCRUM TRAINING

At TEMSA, we commenced agile transformation studies, eliminating hierarchical structures and managing business processes more effectively and efficiently. Within the scope of this transformation realized in 2021, studies began with the 4 pilot teams. Following the pilot teams, the first Agile team called the Spare Wars team was created in December 2021. 'Spare Wars' currently works on 'Spare Parts Availability.' 96 managers and employees received the Agile and Scrum training that we designed in 2021. With these training sessions, we explain the philosophy of agility and the Scrum framework, which includes various roles.

Agile Transformation at TEMSA

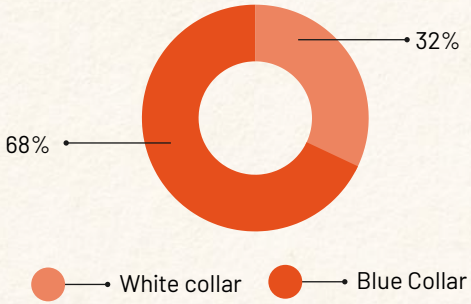
Equality of Opportunity and Diversity

At TEMSA, we offer equal rights and opportunities to all employees. We do not tolerate discrimination regarding language, race, color, gender, political opinion, belief, religion, sect, age, or physical disability. Within the scope of our Human Rights Policy, which is an integral part of our Code of Ethics, we aim to create a working environment that respects fundamental human rights.

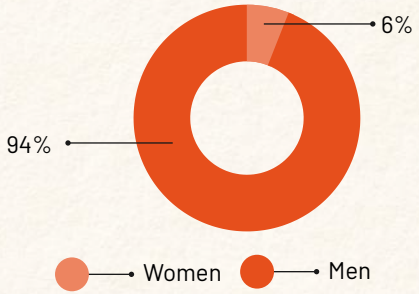
In our company, we especially support equal participation of women, young people, and disabled people. At TEMSA, 6 percent of all employees and 19 percent of white-collar employees are women. The ratio of women among managers is 16 percent. Gender distribution within the departments is among our priority issues. While the proportion of women in STEM roles is 12 percent, this ratio is 28 percent when it comes to income-generating positions.

We care deeply about the balance between work and private life for female employees, offering excellent conditions that will ensure women are keen to return to work after giving birth. All female employees who took maternity leave in 2021 returned to their jobs. We offer our employees on maternity leave a maternity package that covers all the products they may need. We also care immensely about the participation of young people in employment and strengthen our human resources by adding new talent to our company. In 2021, 59 percent of new hires were under 30, and 41 percent were between the ages of 30 and 50. There are 44 disabled employees working in our company, and the number of disabled employees is 18 percent above the legal requirement quota.

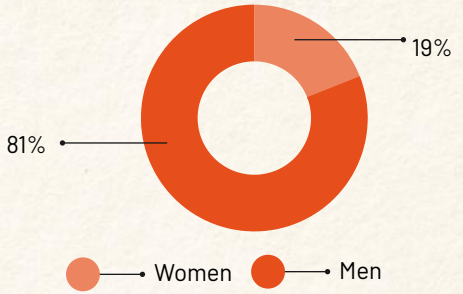
Employees by Category



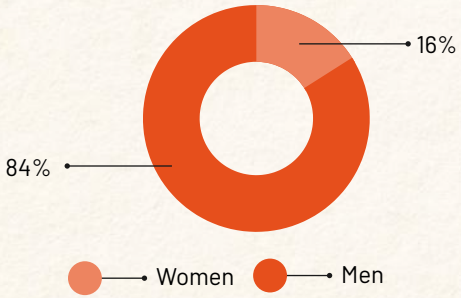
Number of Employees by Gender



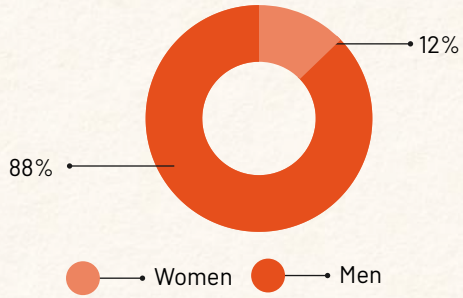
Number of Office Workers by Gender



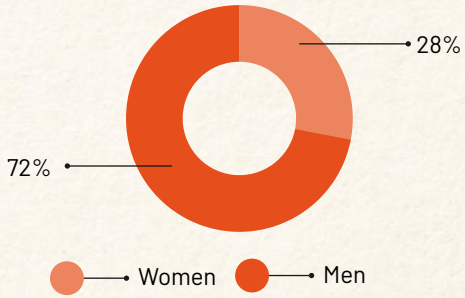
Managers by Gender



STEM Employees by Gender *



Employees in Income Generating Positions by Gender **



** STEM is an acronym for science, technology, engineering, and mathematics. While determining the distribution of male and female employees in STEM roles in our company, we focused on technical units such as R&D Industrial Design, R&D Projects, R&D Technology Development, R&D Product Verification, Information Technologies, Process Management, Quality, and Production.*

*** While determining the revenue-generating units, we prioritized the units that directly contribute to the company's revenue, such as Finance and Cost, Product, Spare Parts, and Sales Departments.*

Supporting Women and Youth

At TEMSA, we carry out activities that will provide equal opportunities in and outside the company.

As part of the Mentor to Million Women Program, we held 13 meetings and achieved four Mentor/Protegé matches in 2021.

We evaluated eight applications within the scope of the Mentorship Program at Adana Science High School, and 16 graduates secured places in the universities they targeted.

Equal Opportunity at TEMSA

WE REMOVE CAREER OBSTACLES!

With the project 'We Remove Career Obstacles,' launched in 2014, we support the equal participation of disabled people in working life.

We aim to break the prejudices of companies regarding the employment of people with disabilities and to raise awareness on this critical issue. Within the project's scope, we pioneered the establishment of Obstacle-Free Career Platforms at various universities and organized the first Obstacle-Free Career Event.

We provide career counseling for disabled students studying at Çukurova University. In addition, we provided training on successful interview techniques and organized communication training for students with disabilities and a Dialogue in the Dark Workshop for the company's human resources department employees. We provided employees with sign language training as well as awareness training to ensure the health and safety of disabled members of staff.

In 2021, we participated in a friendly match between TEMSA employees and Çukurova University Adana Disabled Basketball Team.

We reached 150 people with this KAEK event, in which three valuable speakers took part.

Social Investments

At TEMSA, we realize our social responsibility through inclusion programs; we focus primarily on young people aiming to offer them better education opportunities. In 2021, we reached 347 young people with different projects and activities. We encourage the voluntary participation of our employees in these projects, and we implement their inclusive project ideas.

SOCIAL INVESTMENT APPROACH: COLLABORATIONS WITH EDUCATIONAL INSTITUTIONS

Çukurova University Automotive Engineering Training Workshop: In 2010, we established a training workshop within the scope of our cooperation with Çukurova University Automotive Engineering Department. During the last 11 years, we have developed an annual curriculum taught with the participation of TEMSA administrators. In addition to vehicle shell and paint support, Hydrogen Vehicle and Racing group received an average of 56 hours of training per year. Students who receive training every year visit the Adana TEMSA Factory. Since 2010, we have reached an average of 650 students and 13 of our managers provided training. Under the name, Vehicle Production Processes course, a manager from each department explains details of their operation processes. In addition, every year, we provide 10 long-term interns with the opportunity to gain experience in our company.

1,5 Adana Electromobile Team: Since 2018, we have been providing engineering support to the 1,5 Adana Electromobile Team, which was established by the Mechanical Engineering, Electrical and Electronics Engineering departments of Çukurova University. TEMSA provides the bodies and paints for the Electromobile and Rocket team vehicles. The 1,5 Adana Electromobile team wins a prestigious award each year. An average of 10 team members undertakes their long-term internships at TEMSA.

Automotive Painter Apprentice Project: Since 2014, we have been carrying out the Automotive Painter Apprentice Project within the scope of our cooperation with Adana Çukurova Vocational Training Center; we support the training of competent vehicle painters and employ some of the participants within our company. To date, 47 people have attended training sessions within this project's scope, and five have started working in our company.

Adana Automotive Vocational High School Cooperation: We established a TEMSA Training Laboratory at the Adana Automotive Vocational High School in 2008, where we train 25 students each year. In addition, by establishing an Automotive Painting Workshop in 2010, we offer training and internship opportunities to 16 students annually. Furthermore, with the Automotive Body Workshop we launched in 2012, we provide training and internship opportunities to a further 16 students a year.

Tarsus University Laboratory: In 2008, we established a training laboratory for the Automotive Engineering Department of the Tarsus University Faculty of Technology.

Tarsus ISE Industrial Vocational High School Laboratory: In 2008, we established a training laboratory at the Tarsus ISE Industrial Vocational High School Automotive Department.

Çukurova University Vocational School (ÇUMYO) Laboratory: We established two new laboratories for the Adana Vocational School Automotive Department within the scope of the Sector-Based Education Cooperation Protocol signed between TEMSA and ÇUMYO in March 2006. In addition to the training provided by TEMSA trainers, students can undertake internships at our company within the scope of practical training.

VOLUNTEERING AT TEMSA: DREAM PARTNERS PROJECT

We aim to provide disadvantaged children with equality in the field of education with the Dream Partners Project, which volunteers have funded along with TEMSA employees since 2014. To date, we have carried out 42 different projects with the participation of 1,200 TEMSA volunteers. We carried out various activities such as improving the physical conditions of village schools, establishing sports halls and libraries, providing science kits, and meeting the needs of children treated in the pediatric departments of hospitals located in our region of operation. In 2016, we expanded our working area by collaborating with the Needs Map Platform, which was established to bring together people who want to help with those in need.

APPENDICES

Corporate Memberships

ATO - ADANA CHAMBER OF COMMERCE
ADASO - ADANA CHAMBER OF INDUSTRY
ADSİAD - ADANA INDUSTRIALISTS AND BUSINESSMEN ASSOCIATION
AKİB - MEDITERRANEAN EXPORTERS ASSOCIATIONS
MEDITERRANEAN FERROUS AND NON-FERROUS METALS EXPORTERS' ASSOCIATION
ÇUKUROVA YOUNG BUSINESSMEN ASSOCIATION
DEIK - GERMANY BUSINESS COUNCIL
IDC - INTERNATIONAL DATA CORPORATION CIO BOARD
IPRU - INTERNATIONAL PASSENGER ROAD TRANSPORT UNION
İSTANBUL CHAMBER OF COMMERCE

İŞKUR INNOVATIVE HUMAN RESOURCES ASSOCIATION
MESS - TURKISH EMPLOYERS ASSOCIATION OF METAL INDUSTRIES
OSD - AUTOMOTIVE MANUFACTURERS ASSOCIATION
TAP - PORTABLE BATTERY MANUFACTURERS ASSOCIATION
TEID - ETHICS AND REPUTATION SOCIETY
THE INSTITUTE OF INTERNAL AUDITING - TURKEY
TOBB - THE UNION OF CHAMBERS AND COMMODITY EXCHANGES OF TURKEY - AUTOMOTIVE INDUSTRY ASSEMBLY
UIB - ULUDAĞ EXPORTERS' ASSOCIATION - VEHICLE AND AUXILIARY INDUSTRY
UITP - INTERNATIONAL ASSOCIATION OF PUBLIC TRANSPORT
UN GLOBAL COMPACT (UNGC)

Stakeholder Communication Platforms

Our key stakeholders are individuals and institutions who are impacted by our activities, may influence our company's success in achieving its business objectives, and with whom we cooperate. In 2020, we identified our key stakeholders prior to publishing our first sustainability report.

Starting from this year, we intend to review our key stakeholders every two years as part of our material issues; the table below details our current communication with our key stakeholders.

(GRI 102-40, 102-42, 102-43)

Stakeholders	Communication Platforms	Communication Frequency
SHAREHOLDERS	General Assembly Meetings	Quarterly
	One-on-one Meetings	Regularly
	Financial Review Meetings	Once a month
EMPLOYEES	Reward & Recognition (TEMSA Star)	Daily
	Internal Portal (Intranet)	Daily
	Text Messages (SMS)	At least once a month
	Internal Publications (TemPO)	Weekly
	Newsletters (TEMSA Newsletter, TEMSA Academy, TEMSA Glocal Post)	Monthly / Weekly
	Training	Regularly
	Seminars	Regularly
	Road Talks	Once a year
	Work Groups & Committees	At least once a month
	Social Events	Regularly
DEALERS	Dealer Meetings	At least once a week
	Field Visits	Once a month
	Training	Once a year
CUSTOMERS	24/7 technical assistance to our customers over the call center	Continually
	Complaint and Suggestion System	Continually
SUPPLIERS	Online Portal	Regularly
	One-on-one Meeting (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	Once a month
	Seminars, Conferences, Panels	Once a month
UNIVERSITIES	Academic Congresses & Seminars	Regularly
	Articles & Publications, Academic Research	Regularly
	Training & Technical Support, Sponsorships	Regularly
	Meetings & Talks, Joint Projects	Regularly
	Career Days	Regularly

Economic Performance Indicators

✓ *Marked data are externally assured.*

Revenues (TL)	2019	2020	2021
Annual Income	1,029,692,453	✓ 771,542,639	1,718,530,940
Sustainable Product and Service Investments	**2019**	**2020**	**2021**
Ratio of Sustainable Product and Service Revenues to Total Revenue (%)	0%	2.12%	✓ 1.85%
R&D and Innovation Investments (TL)	73,384,810	✓ 57,607,677	✓ 70,632,152
Ratio of R&D and Innovation Investments to Total Revenue	7.13%	7.47%	✓ 4.11%
Sustainability-Oriented R&D and Innovation Investments	4,990,621	✓ 8,329,499	✓ 31,502,712
Ratio of Sustainability-Oriented R&D and Innovation Investments to Total R&D and Innovation Investments	7%	✓ 14%	✓ 44.60%
Number of Products and Services Contributing to Sustainability	**2019**	**2020**	**2021**
Mitigation	4	✓ 5	✓ 7
Transitional	0	✓ 0	✓ 0
Facilitating Nature	0	✓ 0	✓ 0
Products and Services That Create a Positive Social Impact	0	✓ 0	✓ 0
Sustainable Product and Service Revenues Total (TL)	**2019**	**2020**	**2021**
Mitigation	0	✓ 16,395,159	✓ 31,860,279
Transitional	0	0	✓ 0
Facilitating Nature	0	0	✓ 0
Products and Services That Create a Positive Social Impact	0	0	✓ 0
Total	**0**	✓ **16,395,159**	✓ **31,860,279**
Environmental/Social Benefit Through Environmental Investments/Financial Savings and Operations	**2019**	**2020**	**2021**
Environmental Benefit (kWh)	0	✓ 13,600	✓ 0
Environmental Benefit (TCO_2)	0	0	✓ 0
Financial Savings (TL)	0	✓ 6,260	✓ 0
Environmental Investments and Expenditures (TL)	**2019**	**2020**	**2021**
Environmental Investments	0	0	✓ 0
Environmental Expenditures	153,800	141,006	✓ 363,154
Legally Mandatory Environmental Expenditures	97,720	✓ 63,565	✓ 181,126.00
Environmental Expenditures Not Mandatory by Law	56,080	77,441	✓ 182,028.00
Environmental/Social Benefit Through Sustainable Investments/ Financial Savings and Operations			
Environmental Benefit (TCO_2)	0	0	✓ 0

Social Performance Indicators

✓ *Marked data are externally assured.*

Managers by Gender and Age	2019		2020		2021	
Female/Male Managers	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Under the Age of 30	0	1	0	3	2	2
Between the Ages of 31-50	11	65	12	62	16	80
Over the Age of 50	0	8	0	10	0	10
Employee Categories	**2019**		**2020**		**2021**	
Employees by Type of Employment and Gender	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
White-Collar	62	344	62	339	77	330
Blue-Collar	2	873	2	871	2	858
Total	**1,281**		✓ **1,274**		✓ **1,267**	
Subcontractors by Gender	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Subcontractors	5	49	3	43	3	41
Total	**54**		**46**		**44**	
Employees by Seniority	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
0-5 Years	36	196	33	120	52	151
5-10 Years	12	265	13	288	14	277
10 Years and Above	16	756	18	802	13	760
Employees by Age	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Under the Age of 30	22	121	19	97	29	87
Between the Ages of 31-50	42	1,077	45	1,090	50	1,066
Over the Age of 50	0	19	0	23	0	35
Number of Employee by Other Groups	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Disabled Employee	4	40	3	42	3	41
Employees Covered by Collective Agreement	2	873	2	871	2	858
Performance Evaluation	**2019**		**2020**		**2021**	
Female/Male Employees	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Number of Employees Subject to Performance Evaluation	0	0	62	315	77	330
Parental Leave	**2019**		**2020**		**2021**	
Female/Male Employees	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Total Number of Employees on Maternity/Paternity Leave	3	71	3	53	✓ 4	✓ 44
Number of the Employees Returning to Work After Maternity/Paternity Leave	3	71	3	53	✓ 4	✓ 44
Percentage of the Employees Returning to Work After Maternity/Paternity Leave	100%		100%		✓ 100%	

Distribution of Female Employees	2019	2020	2021
Total Number of Employee	1,281	1,274	1,267
Number of Female Employees	64	64	79
Ratio of Female Employees	5%	5%	6.24%
Ratio of Female Managers	**2019**	**2020**	**2021**
Junior Managers (N-3)	13%	12%	13%
Mid-level Managers (N-2)	16%	22%	24%
Senior Managers (N-1)	0%	0%	11%
Female Managers and Employees	**2019**	**2020**	**2021**
Distribution of Female Managers in Income Generating Roles	25%	22%	28.30%
Distribution of Female Employees in STEM Roles	12%	9%	12.3%
Number of Employees Hired by Gender	**2019**	**2020**	**2021**
Female	13	16	30
Male	26	42	66
Number of Employees Hired by Age	**2019**	**2020**	**2021**
Under the Age of 30 - Female	7	7	19
Under the Age of 30 - Male	14	25	38
Under the Age of 30 - Total	**21**	**32**	**57**
Between the Ages of 31-50 - Female	6	9	11
Between the Ages of 31-50 - Male	10	17	28
Between the Ages of 31-50 - Total	**16**	**26**	**39**
Over the Age of 50 - Female	0	0	0
Over the Age of 50 - Male	2	0	0
Over the Age of 50 - Total	**2**	**0**	**0**
Number of Employees Hired by Management Level	**2019**	**2020**	**2021**
Junior Managers (N-3) - Female	1	0	2
Junior Managers (N-3) - Male	2	6	11
Junior Managers (N-3) - Total	**3**	**6**	**13**
Mid-level Managers (N-2) - Female	0	3	2
Mid-level Managers (N-2) - Male	1	4	5
Mid-level Managers (N-2) - Total	**1**	**7**	**7**
Senior Managers (N-1) - Female	0	0	1
Senior Managers (N-1) - Male	2	2	0
Senior Managers (N-1) -Total	**2**	**2**	**1**

Number of Employees Quitting by Gender	2019	2020	2021
Female	25	16	15
Male	192	51	69
Number of Employees Quitting by Age	**2019**	**2020**	**2021**
Under the Age of 30 - Female	9	10	4
Under the Age of 30 - Male	36	13	19
Under the Age of 30 - Total	**45**	**23**	**23**
Between the Ages of 31-50 - Female	15	6	11
Between the Ages of 31-50 - Male	145	34	42
Between the Ages of 31-50 - Total	**160**	**40**	**53**
Over the Age of 50 - Female	1	0	0
Over the Age of 50 - Male	11	4	8
Over the Age of 50 - Total	**12**	**4**	**8**
Number of Employees Quitting by Management Level	**2019**	**2020**	**2021**
Junior Managers (N-3) - Female	5	1	3
Junior Managers (N-3) - Male	6	3	15
Junior Managers (N-3) - Total	**11**	**4**	**18**
Mid-level Managers (N-2) - Female	0	1	0
Mid-level Managers (N-2) - Male	9	6	2
Mid-level Managers (N-2) - Total	**9**	**7**	**2**
Senior Managers (N-1) - Female	0	0	0
Senior Managers (N-1) - Male	1	4	0
Senior Managers (N-1) -Total	**1**	**4**	**0**
Number of Employees Who Leave Voluntarily by Gender	**2019**	**2020**	**2021**
Female	6	14	12
Male	31	49	52
Number of Employees Who Leave Voluntarily by Age	**2019**	**2020**	**2021**
Under the Age of 30 - Female	4	9	4
Under the Age of 30 - Male	8	13	18
Under the Age of 30 - Total	**12**	**22**	**22**
Between the Ages of 31-50 - Female	2	5	8
Between the Ages of 31-50 - Male	20	33	28
Between the Ages of 31-50 - Total	**22**	**38**	**36**
Over the Age of 50 - Female	0	0	0
Over the Age of 50 - Male	3	3	6
Over the Age of 50 - Total	**3**	**3**	**6**

Number of Employees Who Leave Voluntarily by Management Category	2019	2020	2021
Junior Managers (N-3) - Female	0	1	3
Junior Managers (N-3) - Male	2	3	12
Junior Managers (N-3) - Total	**2**	**4**	**15**
Mid-level Managers (N-2) - Female	0	0	0
Mid-level Managers (N-2) - Male	1	5	2
Mid-level Managers (N-2) - Total	**1**	**5**	**2**
Senior Managers (N-1) - Female	0	0	0
Senior Managers (N-1) - Male	0	4	0
Senior Managers (N-1) -Total	**0**	**4**	**0**
Employee Turnover Rates by Gender	**2019**	**2020**	**2021**
Female	39%	25%	19%
Male	16%	4%	6%
Employee Turnover Rates by Age	**2019**	**2020**	**2021**
Under the Age of 30	31%	20%	20%
Between the Ages of 31-50	14%	4%	5%
Over the Age of 50	63%	17%	23%
Employee Turnover Rates by Management Level	**2019**	**2020**	**2021**
Junior Managers (N-3)	21%	8%	29%
Mid-level Managers (N-2)	36%	26%	5%
Senior Managers (N-1)	13%	50%	0
People Reached Through Inclusion Programs in Reporting Period	**2019**	**2020**	**2021**
Citizens Over 65 Years Old	0	0	0
Youth	1,587	156	347
Children	0	0	0
Women	0	0	0
Immigrants	0	0	0

Training - Employees	2019	2020	2021
Total Training Hours	17,487	2,170	22,752
Training Hours per Employee	13.65	1.7	18.0
Training - Subcontractors	**2019**	**2020**	**2021**
Total Training Hours	116	0	87
Training Hours per Subcontractor Employee	2	0	2

Training Costs (TL)	2019	2020	2021
Total Training Cost (TL)	583,416	114,341	1,044,116
Training Cost per Employee (TL)	455.4	89.7	824.10
Total Training Hours by Training Categories			
Ethics	**2019**	**2020**	**2021**
Female	0	0	44
Male	0	0	169
Total	**0**	**0**	**213**
Environment and Sustainability	**2019**	**2020**	**2021**
Female	5	0	3
Male	1,200	2	2,929
Total	**1,205**	**2**	**2,932**
Total Training Hours by Gender	**2019**	**2020**	**2021**
Female	427	217	1,834
Male	17,060	1,953	20,918
Total Training Hours by Age	**2019**	**2020**	**2021**
Under the Age of 30	2,625	503	2,439
Between the Ages of 31-50	14,731	1,633	19,404
Over the Age of 50	132	35	908
Average Annual Training Hours per Employee by Age	**2019**	**2020**	**2021**
Under the Age of 30	103	4.3	21.0
Between the Ages of 31-50	2.3	1.4	17.4
Over the Age of 50	13.1	1.5	25.9
Total Training Hours by Management Level	**2019**	**2020**	**2021**
Junior Managers (N-3)	534	364	1,630
Mid-level Managers (N-2)	60	47	1,245
Senior Managers (N-1)	3	3	158

Average Annual Training Hours per Employee by Management Level	2019	2020	2021
Junior Managers (N-3)	10.3	7.0	25.9
Mid-level Managers (N-2)	2.4	1.7	32.8
Senior Managers (N-1)	0.1	0.4	17.6

Occupational Health and Safety	2019	2020	2021
Number of Accidents	12	4	10
Number of Fatal Cases	0	0	1
Number of Occupational Diseases	0	0	0
Injury-related Absenteeism (day)	5	0	7
Total Working Hours	2,441,930	1,467,326	2,325,403
Lost Workday Rate	0.40%	0	0.60%
Incident Frequency and Severity	**2019**	**2020**	**2021**
Incident Frequency Rate (Including all accidents)*	4.91	2.73	4.42
Incident Frequency Rate (According to the number of accidents with ≥ 2 days lost)**	0.41	0	0.44
Accident Severity Rate (Including all accidents)***	0.002	0	0.003
Accident Severity Rate (According to the number of accidents with ≥ 2 days lost)	0.002	0	0.003

** The Incident rate (IR) is calculated by multiplying the ratio of the total number of accidents to the total working time in the relevant year, based on the total data, by 1,000,000.*

*** The Incident rate (IR) is calculated by multiplying the ratio of the number of lost day accidents to the total working time in the relevant year by 1,000,000, based on the data for the resting accidents of two full days or more.*

**** The severity rate is calculated by multiplying the ratio of the number of lost days to the total working hours in the relevant year by 1000.*

Occupational Health and Safety Training- Employees	2019	2020	2021
Employees (hour)	9,273	1,594	11,503
OHS Training Hours per Employee	7.2	1.3	9.07
Occupational Health and Safety Training- Subcontractors	**2019**	**2020**	**2021**
Total OHS Training Hours	178	66	103
OHS Training Hours Per Subcontractor	3.3	1.43	2.34
Occupational Health and Safety - Subcontractors	**2019**	**2020**	**2021**
Number of Accidents	0	0	0
Number of Fatal Cases	0	0	0
Number of Occupational Diseases	0	0	0

Environmental Performance Indicators

✓ *Marked data are externally assured.*

Energy Consumption by Fuel Type (MWh)	2019	2020	2021
Natural Gas	7,549	4,492	✓ 8,465.15
Diesel (generator, company vehicles, forklift, warming)	6,692	2,199	✓ 4,357.06
Gasoline	0	0	✓ 133.21
Electricity	9,049	✓ 6,132	✓ 8,379
CNG	0	0	✓ 335.13
Total Energy Consumption	**23,320**	✓ **12,823**	✓ **21,669.55**

Doğal Gaz: 2020: 468.458 m^3 / Motorin: 2020: 223.529 l

Energy Data	2019	2020	2021
Annual Total Energy Savings (kWh)	22,847	13,562	✓ 1,549,489
Annual Total Energy Savings (TL)	10,350	6,260	✓ 475,351
Energy Intensity (MWh/ million TL)	22.6	16.6	✓ 12
Diesel Consumption (liter)	**2019**	**2020**	**2021**
Company Cars	125,000	40,041	✓ 80,175
Operational Off-Road Vehicles	5,603	2,086	✓ 14,734
Generator	15,254	7,849	✓ 15,522
Diesel Used in Process	534,277	173,552	✓ 332,389
Total	**680,134**	✓ **223,529**	✓ **442,820**
Gasoline (liter)	**2019**	**2020**	**2021**
Company Cars	0	0	✓ 14,994
Other Fuels	**2019**	**2020**	**2021**
CNG (m^3)	0	0	✓ 23,771
Alternative Fuels (ton)	0	0	✓ 8.80
Unused Fuels	**2019**	**2020**	**2021**
Coal (ton)	0	0	✓ 0
Fuel-oil (m^3)	0	0	✓ 0
Petroleum Coke (ton)	0	0	✓ 0
LPG (kg)	0	0	✓ 0
LNG (l)	0	0	✓ 0

Renewable Energy Use	2019	2020	2021
Share of Renewable Energy Consumption in Total Energy Consumption (%)	0	0	0
Renewable Energy Generation (MWh)	0	0	0
Renewable Energy Consumption (MWh)	0	0	0
Purchased Renewable Energy (MWh)	0	0	0
Purchased Heat/Steam/Refrigerant Gas (kg)	**2019**	**2020**	**2021**
R134-A	0	0	59
R22	82	54	41
R410-A	0	11	23
Total	**82**	**66**	**123**
Sold Heat/Steam/Refrigerant/Electricity (kg)	0	0	0
Travels	**2019**	**2020**	**2021**
Total Annual Air Travel Kilometers for Business Purposes	3,621,593	274,113	1,788,774
Total Annual Kilometers of Personnel Services	805,000	639,380	979,630
Greenhouse Gas Emissions (ton CO_2e)*	2019	2020	2021
Scope 1	3,571	2,100	3,267.00
Scope 2	4,648	2,925	3,828.43
Scope 3	908	390	751.96
Total	**9,127**	**5,415**	**7,847**
Greenhouse Gas Reduction (tCO_2)	**2019**	**2020**	**2021**
Annual Total Reduction	12	6	708
Greenhouse Gas Density (ton CO_2e/milyon TL)	**2019**	**2020**	**2021**
Greenhouse Gas Density	8.9	7	4.6

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

Hava Salımları (kg)**	2019	2020	2021
NOx	6.2	0	19.781
SOx	0.0075	0	0.054
Volatile Organic Compounds (VOC)	20.9	0	4.492
Particular Substance	3.6	0	4.865

*** As air emissions are calculated once every two years, the table only contains data from 2019.*

Water Consumption (m^3)	2019	2020	2021
Tap Water	10,583	5,748	9,300
Surface Water	0	0	0
Groundwater (Well water)	128,118	79,786	103,479
Rainwater	0	0	0
Water Used from Third Party Sources	0	0	0
Amount of Water Produced	0	0	0
Recovered and Reused Water	0	0	0
Total Water Consumption	**138,701**	**85,534**	**112,779**
Water Discharge (m^3)	**2019**	**2020**	**2021**
Wastewater Amount	60,314	20,038	43,317
Waste (ton)	**2019**	**2020**	**2021**
Hazardous Waste	465	185	379
Non-hazardous Waste	896	362	782
Amount of Recycled Waste	1,358	547	1,161
Reused / Recycled Waste Rate	100%	100%	100%
Total Plastic Consumption (ton)	0	12.354	14.48

External Assurance Statement

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Limited Assurance Report
to the Board of Directors of Temsa Skoda Sabancı Ulaşım Araçları A.Ş.

We have been engaged by Temsa Skoda Sabancı Ulaşım Araçları A.Ş. (the "Company" or "Temsa") to perform a limited assurance engagement in respect of Selected Sustainability Information (the "Selected Information") included in the Appendix -2: Temsa 2021 Sustainability Data Table (the "2021 Sustainability Data Table") for the year ended 31 December 2021 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2021, which is subject to our limited assurance work, is summarized below:

Social Performance Indicators

- Occupational Health and Safety Indicators (Employees)
  - Number of incidents (#)
  - Number of fatalities (#)
  - Number of occupational diseases (#)
  - Injury-related Absenteeism (#)
  - Total working hours (h)
  - Lost Day Rate (LDR) (%)
  - OHS Training Hours (h)
- Total number of employees
  - Female (#)
  - Male (#)
- Distribution of Female Employees
  - Female employees' rate (%)
  - Distribution of Female Managers (%)
  - Distribution of Female Managers in Revenue-Generating Roles (%)
  - Distribution of Female Employees in STEM Roles (%)
  - Total Number of Employees on Maternity Leave (#)
  - Total Number of Employees on Paternity Leave (#)
  - Ratio of the Employees Returning to Work After Maternity Leave (%)
- Trainings
  - Total Hours of Trainings by Gender, Age, Managerial Level (h)
  - Total Cost of Trainings (TL)
  - Training Costs per Employee (TL)

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- Total Number of Employees Hired
  - Number of Employees Hired by Gender, Ager, Managerial Level (#)
- Total Number of Employees Left
  - Number of the Employees Left by Gender, Age, Managerial Level (#)
- Turnover Rates
  - Turnover Rates by Gender, Age, Managerial Level (%)
- Employee Satisfaction Survey Results
  - Employee Satisfaction Survey Results by Gender, Age, Managerial Level (#)
  - Results of Human Rights Assessment Studies (#)

Environmental Performance Indicators

- Energy Consumption by Fuel Type
  - Total energy consumption (MWh)
  - Renewable Energy Consumption (MWh)
  - Purchased heat/steam/cooling (kg)
  - Sold heat/steam/cooling (kg)
- Share of Renewable Energy Consumption in Total Energy Consumption
  - Renewable Energy Generation (MWh)
  - Renewable Energy Consumption (MWh)
  - Purchased Renewable Energy (MWh)
- Intensity Indicators
  - Energy intensity (MWh/ million TL)
  - Greenhouse gas emission intensity (ton CO_2e/ million TL)
- Total Annual Kilometers of Air Travel Made for the purpose of Business (km)
- Total Annual Kilometers of Personnel Services (km)
- Greenhouse Gas Emissions (ton CO_2e)
  - Scope 1
  - Scope 2
  - Scope 3
- Water Consumption
  - Total amount of water withdrawal (m3)
  - Total amount of discharged water (m3)
- Waste
  - Reused / recycled waste rate (%)
  - Total Hazardous Waste (ton)
  - Total Non-Hazardous Waste (ton)
  - Amount of recycled waste (ton)
  - Total plastic consumption (ton)

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Economic Performance Indicators

- Sustainable Business Model
  - Number of Sustainable Products and Services (#)
  - Sum of Sustainable Product and Service Revenues (TL)
  - Ratio of Sustainable Product and Service Revenues to Total Revenue (%)
  - R&D and Innovation Investments (TL)
  - Ratio of R&D and Innovation Investment Budget to Total Revenue (%)
  - Sustainability Oriented R&D and Innovation Investments (TL)
  - Ratio of Sustainability-Oriented R&D and Innovation Investment Budget to Total Revenue (%)
  - Sustainable Investments/ Financial Savings and Environmental/Social Benefit Through Operations
- Total Environmental Investments and Expenditures
  - Environmental Investments (TL)
  - Environmental Expenditures (TL)
- Sensitive Groups Reached Through Inclusion Programs

Our assurance was with respect to the year ended 31 December 2021 information only and we have not performed any procedures with respect to earlier periods or any other elements included in Selected Information in the 2021 Sustainability Data Table and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Selected Information is set out in Appendix-1: Temsa 2021 Sustainability Data Table - Reporting Guidance (the "Reporting Guidance").

The Company's Responsibility

The Company is responsible for the content of Selected Information in the 2021 Sustainability Data Table and the preparation of the Selected Information in accordance with the Reporting Guidance. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Guidance.

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Guidance. Our assurance work has not included examination of the derivation of those factors and other third-party information.

Our Independence and Quality Control

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

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

Our Responsibility

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Guidance. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*', and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Company and
- undertook analytical procedures over the reported data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company's Selected Information for the year ended 31 December 2021, is not properly prepared, in all material respects, in accordance with the Reporting Guidance.

Restriction of Use

This report, including the conclusion, has been prepared for the Board of Directors of the Company as a body, to assist the Board of Directors in reporting Temsa Skoda Sabancı Ulaşım Araçları A.Ş.'s performance and activities related to the Selected Information. We permit the disclosure of this report within the 2021 Sustainability Data Table for the year ended 31 December 2021, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Temsa Skoda Sabancı Ulaşım Araçları A.Ş. as a body and Temsa Skoda Sabancı Ulaşım Araçları A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Mehmet Cenk Uslu, SMMM
Partner

Istanbul, 22 July 2022

GRI Content Index

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Turkish version of the report.

GRI 101: FOUNDATION 2016

GRI 102: GENERAL DISCLOSURES 2016

		Location of Disclosure
Organizational Profile		
102-1	Name of the organization	Page 99
102-2	Activities, brands, products, and services	Page 11
102-3	Location of headquarters	Page 99
102-4	Location of operations	Page 99
102-5	Ownership and legal form	Corporation
102-6	Markets served	Page 14
102-7	Scale of the organization	Page 8
102-8	Information on employees and other workers	Page 85-90
102-9	Supply chain	Page 48
102-10	Significant changes to the organization and its supply chain	No significant changes.
102-11	Precautionary Principle or approach	Page 50-60
102-12	External initiatives	Page 2
102-13	Membership of associations	Page 82
Strategy		
102-14	Statement from senior decision-maker	Page 3-4
102-15	Key impacts, risks, and opportunities	Page 17, 26-32
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Page 16
102-17	Mechanisms for advice and concerns about ethics	Page 19
Governance		
102-18	Governance structure	Page 23
Stakeholder Engagement		
102-40	List of stakeholder groups	Page 83
102-41	Collective bargaining agreements	Page 70
102-42	Identifying and selecting stakeholders	Page 83
102-43	Approach to stakeholder engagement	Page 83
102-44	Key topics and concerns raised	Page 24-25
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Page 99
102-46	Defining report content and topic boundaries	Page 2
102-47	List of material topics	Page 21
102-48	Restatements of information	No restatements.
102-49	Changes in reporting	No changes.
102-50	Reporting period	Page 2
102-51	Date of most recent report	2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Page 99
102-54	Claims of reporting in accordance with the GRI Standards	Page 2
102-55	GRI content index	Page 96-98
102-56	External assurance	Page 94-95

GRI 200-300-400 TOPIC SPECIFIC STANDARDS

GRI 200 ECONOMIC STANDARDS SERIES

		Location of Disclosure
	GRI 201 Economic Performance 2016	
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	**103-1** Explanation of the material topics and its boundary	Page 2
	103-2 The management approach and its components	Page 43
	103-3 Evaluation of the management approach	Page 43
GRI 201 Economic Performance 2016	**201-4** Financial assistance received from government	Page 73
	GRI 204 Procurement Practices 2016	
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	**103-1** Explanation of the material topics and its boundary	Page 2
	103-2 The management approach and its components	Page 48-49
	103-3 Evaluation of the management approach	Page 48-49
GRI 204 Procurement Practices 2016	**204-1** Proportion of spending on local suppliers	Page 48

GRI 300 ENVIRONMENTAL STANDARDS SERIES

		Location of Disclosure
	GRI 302 Energy 2016	
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	**103-1** Explanation of the material topics and its boundary	Page 2
	103-2 The management approach and its components	Page 51-53
	103-3 Evaluation of the management approach	Page 51-53
GRI 302 Energy 2016	**302-1** Energy consumption within the organization	Page 91-92
	302-4 Reduction of energy consumption	Page 52, 91-92
	302-5 Reductions in energy requirements of products and services	Page 52, 91-92
	GRI 303 Water and Effluents 2018	
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	**103-1** Explanation of the material topics and its boundary	Page 2
	103-2 The management approach and its components	Page 57-58
	103-3 Evaluation of the management approach	Page 57-58
GRI 303 Water and Effluents 2018	**303-1** Interactions with water as a shared resource	Page 57-58
	303-2 Management of water discharge-related impacts	Page 58
	303-3 Water withdrawal	Page 58, 93
	303-4 Water discharge	Page 58, 93
	303-5 Water consumption	Page 58, 93
	GRI 305 Emissions 2016	
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	**103-1** Explanation of the material topics and its boundary	Page 2
	103-2 The management approach and its components	Page 51-52
	103-3 Evaluation of the management approach	Page 51-52
GRI 305 Emissions 2016	**305-1** Direct (Scope 1) GHG emissions	Page 52, 92
	305-2 Energy indirect (Scope 2) GHG emissions	Page 52, 92
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	GRI 306 Waste 2020	
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	103-3 Evaluation of the management approach	Page 55-56
GRI 306 Waste 2020	**306-1** Waste generation and significant waste-related impacts	Page 55-56
	306-2 Management of significant waste-related impacts	Page 55-56
	306-3 Waste generated	Page 56, 93
	306-4 Waste diverted from disposal (reuse, recycle etc.)	Page 93
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	GRI 308 Supplier Environmental Assessment 2016	
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	**103-1** Explanation of the material topics and its boundary	Page 2
	103-2 The management approach and its components	Page 48-49
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GRI 400 SOCIAL STANDARDS SERIES		Location of Disclosure
	GRI 401 Employment 2016	
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	**103-1** Explanation of the material topics and its boundary	Page 2
	103-2 The management approach and its components	Page 62-78
	103-3 Evaluation of the management approach	Page 62-78
GRI 401 Employment 2016	**401-1** New employee hires and employee turnover	Page 86, 88
	401-2 Benefits provided to full-time employees that are not provided to part-time employees	Page 70
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	GRI 405 Diversity and Equal Opportunity 2016	
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	**103-1** Explanation of the material topics and its boundary	Sayfa 2
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GRI 405 Diversity and Equal Opportunity 2016	**405-1** Diversity of governance bodies and employees	Sayfa 77, 86
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	GRI 412 Human Rights Assessment 2016	
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	**103-1** Explanation of the material topics and its boundary	Page 2
	103-2 The management approach and its components	Page 67
	103-3 Evaluation of the management approach	Page 67
GRI 412 Human Rights Assessment 2016	**412-1** Operations that have been subject to human rights reviews or impact assessments	Page 67, 76-77
	412-2 Employee training on human rights policies or procedures	Page 19
	GRI 413 Local Communities 2016	
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GRI 413 Local Communities 2016	**413-1** Operations with local community engagement, impact assessments, and development programs	Page 79-80
	GRI 414 Supplier Social Assessment 2016	
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	**103-1** Explanation of the material topics and its boundary	Page 2
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GRI 414 Supplier Social Assessment 2016	**414-1** New suppliers that were screened using social criteria	Page 49

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