Otokar

TSRS-Compliant Sustainability Report 2024

CONTENTS

ABOUT THE REPORT

The consolidated sustainability and climate-related information presented in this report covers Otokar Otomotiv ve Savunma Sanayi A.Ş. (the Company) and its subsidiaries (the Group). The report has been prepared in accordance with the Türkiye Sustainability Reporting Standards (TSRS) and pursuant to legislation published by the Public Oversight, Accounting and Auditing Standards Authority (POA). Otokar is a publicly held company headquartered in Türkiye and traded on Borsa Istanbul. This disclosures for the period of January 1, 2024 to December 31, 2024 are presented in accordance with the TSRS, which entered into force upon publication in the Official Gazette on December 29, 2023. Under the applicable transitional exemption, the report only includes information about climate-related risks and opportunities according to TSRS 2 - Climate-Related Disclosures. In addition, TSRS 1 – General Provisions on Disclosure of Sustainability-Related Financial Information have also been considered in the preparation of this report.

On July 29, 2025, Otokar's Board of Directors has approved the publication of the climate-related financial disclosures for the year ending on December 31, 2024. These disclosures may be duly revised by the General Assembly.

The reporting scope encompasses Otokar's activities as presented in its consolidated financial statements for the period from January 1, 2024 to December 31, 2024. This includes operations over which Otokar has control and which are subject to consolidation in its financial reporting. The organizational boundaries applied for climate-related disclosures are consistent with those used for financial consolidation purposes. Accordingly, the information in this report covers Otokar's headquarters operations in Türkiye and the following subsidiaries:

- Otokar Europe SAS (France)
- Otokar Land Systems Limited (United Arab Emirates)
- Otokar Europe Filiala Bucuresti S.R.L. (Romania)
- Otokar Italia S.R.L. (Italy)

These subsidiaries operate exclusively in sales and marketing activities within the automotive and defense industries. Otokar's manufacturing operations for commercial and defense vehicles are carried out at its production facility in Sakarya, Türkiye.

In developing the report content, Otokar considered two sector-specific annexes included in the Sector-Specific Implementation Guide of TSRS 2:

- Volume 46 – Aviation and Defense
- Volume 63 – Automobiles

Sector-specific disclosure topics and metrics were assessed for relevance to Otokar's business activities, and applicable items were incorporated accordingly. Additionally, the Sustainability Accounting Standards Board (SASB) Standards, as published by the International Sustainability Standards Board (ISSB), were referenced to supplement the disclosures.

SUBSIDIARIES	COUNTRY	MAIN FIELD OF OPERATION	INDUSTRY
Otokar Europe SAS	France	Sales and marketing	Automotive
Otokar Land Systems LLC	United Arab Emirates	Sales and marketing	Automotive and defense
Otokar Europe Filiala Bucuresti S.R.L	Romania	Sales and marketing	Automotive
Otokar Italia S.R.L.	Italy	Sales and marketing	Automotive

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The climate-related information disclosed in this report is closely aligned with the data and assumptions used in the preparation of Otokar's consolidated financial statements. All disclosures pertain to the 12-month period from January 1, 2024 to December 31, 2024, and are consistent with the financial reporting cycle. These disclosures should be reviewed in conjunction with Otokar's financial statements.

All financial information in this report is presented in Turkish Lira (TL), consistent with the presentation currency used in Otokar's consolidated financial statements. The climate-related disclosures in this report cover Otokar Otomotiv ve Savunma Sanayi A.Ş. ("Otokar") and all its subsidiaries and should be reviewed in conjunction with the consolidated financial statements. The report has been prepared in alignment with the consolidated financial statements for the 12-month period from January 1, 2024 to December 31, 2024. The financial data for the reporting period is available in Otokar's consolidated financial statements for the 2024 accounting year.

Data Sources and Methodology

The data presented in this report has been compiled from multiple sources and has undergone quality assurance procedures:

- Operational and environmental performance data obtained from Otokar's internal data management systems.
- Climate risk analyses, management statements and policy documents.
- Greenhouse gas emission inventory data.
- Verified and/or supportable regional information obtained from group companies.
- Current scientific literature, national and international scenario data sets.

Internal controls and external consultancy were utilized to verify the credibility of the data.

Independent Assurance

In line with the principles of reliability and transparency, this report has undergone an independent assurance process. For TSRS reporting purposes, limited assurance was obtained in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information – and ISAE 3410 – Assurance Engagements on Greenhouse Gas Statements, both issued by the International Auditing and Assurance Standards Board (IAASB). The independent auditor's report and assurance statements are provided in the Appendices section of this report.

Transition Exemptions

In preparing this report, Otokar has made use of certain transition exemptions as permitted under TSRS 1 and TSRS 2. The specific exemptions applied by the Company are as follows:

- Per articles TSRS 1 E3 and TSRS 2 C3, comparative information for prior reporting periods has not been provided.
- In this first reporting year, climate-related financial disclosures – per TSRS 1 article E4 (a) – have been published concurrently with Otokar's second interim financial report.
- Per TSRS 1 article E5 and TSRS, only information related to climate-related risks and opportunities has been disclosed.

GOVERNANCE

Responsibilities of the Board of Directors and Board Committees

The Board of Directors is the highest governing body responsible for setting Otokar's strategic direction on environmental, social, and economic matters, including sustainability. As in all areas of corporate governance, the Board determines the Company's sustainability strategy and direction and monitors the performance of senior management in implementing these priorities. Otokar's sustainability governance system encompasses the Company and all its subsidiaries. Therefore, composition of the committees, the resolutions they reach and the set strategies and targets are binding on Otokar and all its subsidiaries.

The Sustainability Principles Compliance Report, prepared in line with the requirements of the Capital Markets Board (CMB), is first reviewed by the Corporate Governance Committee and then submitted to the Board of Directors for approval and public disclosure.

Risk management activities are led by General Manager and overseen by the Board of Directors, with all levels of the organization sharing responsibility. Climate-related risks and opportunities were not on the agenda of the Risk Management Committee in the 2024 reporting period. As of 2025, the Committee has started working on the early detection, prevention and management of climate-related risks.

Sustainability Committee

At the executive level, Otokar's sustainability agenda is coordinated by the Sustainability Committee, chaired by the General Manager. The Committee is responsible for formulating, implementing and overseeing the sustainability strategies and monitoring sustainability and climate-related risks and opportunities. The Committee is also tasked with identifying material sustainability topics, reviewing and approving annual targets, and tracking key performance indicators (KPIs). It also plays an active role in providing strategic oversight on greenhouse-gas (GHG) reduction, sustainable finance opportunities and evolving regulatory requirements.

Following its activities in 2024, the Committee, which was reviewed in terms of its structure in 2025, started to hold regular meetings. According to the new system, the Committee convenes at least twice a year and more frequently when significant developments arise to review progress and make decisions. Meeting agendas are informed by the analyses of working groups, stakeholder feedback, and regulatory developments. Decisions are made by majority vote, and expert opinions are sought when required. Outcomes and recommendations are reported to the Board of Directors through the General Manager.

The Sustainability Committee, chaired by the General Manager, consists of 13 members: Assistant General Manager - Commercial Vehicles, Assistant General Manager - Operations, Assistant General Manager - Military Vehicles, Assistant General Manager - Financial Affairs, Strategy and Process Development Group Director, Commercial Vehicles Engineering Group Director, Bus Marketing and Sales Group Director, Finance, Risk Management and Investor Relations Director, People, Culture and

Transformation Leader, Purchasing Director, Systems and Production Engineering Director, and Corporate Communications and Sustainability Director.

Sustainability Working Groups
Sustainability targets are monitored by thematic sustainability working groups under the coordination of the Corporate Communications and Sustainability Directorate, and the work, evaluation and analyses of this group are regularly reported to the Sustainability Committee. The Directorate is responsible not only for internal communications, but also for ensuring the integration of the sustainability strategy with all company functions, managing sustainability-based engagement with external stakeholders, and coordinating processes related to measuring and reporting sustainability performance.

Sustainability is also embedded into responsibilities of different business functions, including R&D, Human Resources, Production and Investment within the organization. Sector-specific and regional regulations like EU legislation guide R&D processes, while Koç Group's gender equality goals shape Human Resources practices. Through this integrated structure, sustainability has become a natural component of the relevant departments' activities.

Governing Body's Competencies
Board members and relevant committee members participate in trainings and panel sessions to build on their climate and sustainability-related competencies. Some Board members attend the annual Davos World Economic Forum (WEF) as speakers and panelists to discuss climate change. Some members also play a leading role in drafting climate change reports by industry associations such as the Automotive Manufacturers Association (OSD), contributing to the industry' transformation. Additionally, Board members participate in various climate and sustainability-themed panels, conferences and meetings organized by our parent company, Koç Holding, and NGOs like the OSD. Such engagements enable the Board members to closely follow the latest developments and requirements and make decisions to shape company strategies. Sustainability Committee members also participate in trainings to enhance their sustainability and climate-related competencies. Looking ahead, we plan to further improve the skills of relevant committee and board members on these topics.

Policies and Procedures
Otokar supports its sustainability management through corporate policies and procedures that establish clear commitments and guide operational practices. The Environmental Policy and Energy Policy state the Company's commitment to the efficient use of natural resources and the reduction of environmental impacts. These policies are approved by the Board of Directors and communicated to all employees across the organization.

The implementation of these policies is reinforced through detailed documents, including: Greenhouse Gas Management Procedure, Environmental Impacts Procedure, Environment and Energy Management System Legal and Other Obligations Procedure, and Energy Management Procedure. In addition to these, the Enterprise Risk Management Policy and Corporate Risk and Opportunity Management Procedure outline Otokar's enterprise risk management approach, while the Compliance Policy defines the Company's ethical and regulatory compliance standards relevant to sustainability. Otokar holds ISO 14001, ISO 50001 and ISO 14064 certificates.

Managing Performance and Targets
At Otokar, the remuneration system for senior executives – according to the Otokar Remuneration Policy for Board Member and Senior Executives – comprises both fixed and performance-based components. The performance-based elements are structured to support the Company's long-term strategic objectives and are designed to incentivize sustainable success. Executive bonuses are determined based on a combination of Otokar's annual corporate targets and individual performance outcomes. In performance evaluations, consideration is given not only to financial results but also to long-term value creation and adherence to environmental, social, and governance (ESG) principles.

Sustainability targets are integrated into Otokar's Objectives and Key Results (OKR) system and cascaded throughout the organization. These targets, set by senior management, are categorized and assigned to relevant managers and teams. Members of Otokar's senior leadership, including the General Manager, Assistant General Manager – Commercial Vehicles, Assistant General Manager – Operations, Bus Marketing and Sales Group Director, and Corporate Communications and Sustainability Director, have defined OKRs related to climate and sustainability. In the General Manager's OKRs, climate- and environment-related targets account for 25%. These are further disseminated to middle and lower management, with the share of climate and sustainability targets in all objectives varying by role.

Targets are set, planned, and budgeted before the start of each year. Progress is monitored through monthly KPI presentations prepared by relevant teams under the leadership of the Assistant General Managers. Based on these reviews, corrective actions are taken as needed. Individual performance is further assessed on a quarterly basis through one-on-one meetings with direct supervisors. Achievement of these targets directly influences performance evaluations and remuneration outcomes. This structure embeds climate and sustainability targets as an integral part of senior management's performance.

These targets include strategic priorities such as achieving greenhouse gas emission reduction targets, advancing electric vehicle projects to support sustainable mobility and developing new sustainability-focused products and services. Digital transformation projects and the implementation of cost/efficiency-based process improvements on a product basis are also among the performance targets.

STRATEGY

Otokar's Strategy for Tackling Climate Change

Otokar systematically analyzes the potential impacts of climate change on its business model, operational processes, and financial performance, and positions the transition to a low-carbon economy as a strategic priority. The Company's climate action efforts are overseen by the Board of Directors and guided by its Environmental Policy, Energy Policy, R&D Strategy, and the Koç Group Climate Change Strategy and Management.

To address climate-related risks and opportunities holistically, Otokar is focused on expanding its portfolio of alternative fuel vehicles, including electric, hybrid and hydrogen models, enhancing low-carbon capabilities across its supply chain and reducing operational emissions through energy efficiency initiatives. These priorities are integrated into Otokar's evolving business model, operational processes and financial planning. The Company aligns its climate actions with long-term growth targets and sustainability commitments.

Aligning with the Carbon Transition Program and 2050 net-zero target of Koç Holding, the Company's main shareholder, Otokar determines climate strategies and incorporates them into long-term plans to manage its business strategy with an integrated approach.

Although Otokar's climate transition plan has not yet been finalized, work is underway to update its decarbonization roadmap and set science-aligned climate targets. The Company aims to complete this transition plan and adapt its financial resource planning accordingly by 2025. A dedicated sub-working group under the Sustainability Committee is leading this process, updating the 2021 climate plan and aligning it with Otokar's current long-term strategy, targets, and transition objectives. This cross-functional group includes representatives from sales, strategy, procurement, budget and reporting, energy, environment, and spare parts departments. External consultants are also supporting the design of the transition plan and target-setting process. Otokar is committed to developing a comprehensive climate transition plan with all relevant internal stakeholders involved in the process. At present, climate-related efforts are monitored through annual plans. Upon completion of the transition plan and the definition of interim climate targets, Otokar will clarify which value chain stages will be prioritized for emissions reduction and climate adaptation, resource allocation for material climate-related topics and the financial instruments and sources to be used for implementation. Since the transition plan has yet to be finalized, key assumptions and inputs are still in draft form. Otokar places high importance on aligning this comprehensive study with best practices, international conventions and the climate targets of Türkiye and other markets where it operates.

Although Otokar's climate transition plan is still under development and has not yet been finalized, the Company continues its efforts to reduce Scope 1, Scope 2 and Scope 3 emissions and monitors performance over time. While material topics like energy efficiency and electrification remain the focus of reducing Scope 1 emissions, renewable energy investments are ongoing for Scope 2. As outlined in the Metrics and Targets section of this report, the Company is also actively working to transform its product portfolio to reduce use-phase emissions, which constitute a significant portion of its Scope 3 emissions. In line with Koç Holding's Carbon Transition Program and 2050 net-zero target, Otokar designs and manages its climate strategies in alignment with its broader business strategy and embeds them into long-term plans.

To accelerate its efforts, Otokar is allocating dedicated R&D and investment budgets for carbon emission reduction and adaptation projects. In 2024, the Company allocated 5% of its annual revenue to R&D, with a strategic emphasis on alternative fuel technologies and high-tech vehicle development. In 2024, Otokar's sustainability-focused R&D and innovation spending amounted to TL 175.6 million. Otokar also explores green financing instruments, including energy efficiency loans and renewable energy investment funding for solar power plant projects. In parallel, long-term financial resource planning. The Company also benefits from a range of government incentives related to energy efficiency, renewable energy and product innovation to accelerate Otokar's climate transition.

Current and Anticipated Direct Mitigation and Adaptation Efforts

In all its activities, Otokar aims to develop and implement a proactive energy management system based on sustainable development. In line with its Energy Policy, the Company is committed to utilizing energy and natural resources efficiently across all operations, using environmentally- and energy-friendly technologies in new projects

and equipment purchases and saving energy and reducing natural resource consumption through efficiency-enhancing improvements in existing processes and systems. Otokar's commitments also include: continuously improving energy performance by designing and supplying highly energy-efficient products, processes and services; providing and continuously reviewing sufficient resources (knowledge, expertise, and financial resources) to achieve energy goals and objectives; and ensuring compliance with legal and other requirements related to energy efficiency, use and consumption. Additionally, Otokar aims to raise awareness among all stakeholders about renewable energy and climate change, continuously improving its Energy Management System by developing energy efficiency projects that promote sustainable development.

In 2024, the Company allocated a total budget of 10 million for energy efficiency and renewable energy projects. In the reporting year, the spending for environmental management and investments in practices aimed at efficient implementation of environmental management processes and enhancing performance amounted to TL 5.9 million.

Otokar is focused on transforming its direct operational activities and manufacturing processes to mitigate the impacts of climate change. The Company's direct mitigation efforts include the following:

- **Monitoring Greenhouse Gas Emissions:** Otokar monitors emission sources directly through GHG emission calculations and verifications in accordance with ISO 14064-1 and the Greenhouse Gas Protocol. The Company's operational carbon footprint is regularly disclosed.
- **Energy Management and Efficiency Improvements:** Under the framework of its ISO 50001 Energy Management System, Otokar continuously improves energy performance, with a particular focus on high-consumption departments. Energy efficiency projects are prioritized based on ongoing analyses and loss assessments. A structured seven-step methodology (including area identification, measurement, training, and auditing) is applied to optimize process efficiency. Through energy efficiency efforts, 10 projects were implemented in 2024, saving 10,674 GJ of energy and 956 tons of CO2. Key projects included replacing the air compressor and compressed air dryers and recovering waste heat from the cataphoresis plant's regenerative thermal oxidation unit.
- **Renewable Energy Use:** The Company's planned solar power plant investment in Malatya is expected to supply approximately 60% of Otokar's total electricity demand. Currently, around 3% of electricity consumption is met through the rooftop solar power plant at the Sakarya production facility. Combined with I-REC certification, these renewable energy sources are anticipated to significantly reduce Scope 2 emissions. Expanding renewable energy use is Otokar's primary strategy for reducing and ultimately neutralizing Scope 2 emissions. A pilot solar power project with 12.6 kWh installed capacity was launched in 2022 to reduce energy consumption and carbon emissions at the domestic wastewater treatment plant. Based on the successful results, a solar power plant (SPP) with an installed capacity of 800 kWh was commissioned. This SPP started operating in January 2023 and generated 3,646 GJ of energy in 2024.
- **Reducing Natural Gas Use and Electrification:** Natural gas is currently used in hot water boilers, paint ovens, cataphoresis systems and for facility heating. Otokar is exploring electricity-based alternatives such as electric heating systems and heat pumps to reduce long-term dependency on natural gas. Since natural gas is the predominant source of Scope 1 emissions, reducing its use is central to the Company's strategy. While natural gas remains a transition fuel in global literature, Otokar continues to develop alternative strategies in line with evolving financial and operational feasibility.
- **Reducing Carbon Intensity in Production Facilities:** Otokar invests in modernizing production equipment and lines, expanding energy-saving projects and adopting renewable energy solutions. The Company also strengthens its preventive maintenance processes to improve energy efficiency. In 2024, environmental efficiency efforts included rainwater harvesting and water recovery initiatives as part of its sustainable water management approach. Additionally, Otokar has received long-term incentives from the Ministry of Energy and Natural Resources for projects such as LED lighting conversion and waste heat recovery, implemented in prior years at the Sakarya plant. At present, there is no identified physical risk requiring relocation of the production facility, and no such relocation is planned.

Electric and Alternative Fuel Product Evolution

Otokar has identified the electrification of its product portfolio as a strategic priority and a priority action for reducing carbon emissions in the fight against climate change. The key reason for this strategic priority is the very high share of Scope 3 emissions in total greenhouse gas emissions, at 99%. At Otokar, emissions from product use constitute the largest group, accounting for 93% of its Scope 3 emissions. This demonstrates that emissions from product use are a significant determinant in Otokar's impact on climate change. By scaling up the production of battery-electric and other zero-emission vehicles, the Company is responding both to European regulatory requirements and

to the global shift toward a low-carbon economy. With electric vehicle development efforts gaining momentum in 2024, Otokar continues to transform its product range.

In 2024, the new e-Kent electric public transportation bus was debuted in Belgium and delivered to European countries such as Italy, strengthening its position in the global market. Otokar's objective is to offer an electric variant in every product segment by 2028.

The alternative fuel product family is being developed in line with the European Union's target of a 55% reduction[1] in greenhouse gas emissions by 20301 and climate neutrality by 2050. Otokar anticipates that more than 90% of the European public transportation bus market, its primary target market, will convert to alternative fuel vehicles by 2030. Seeking to rank among the top five bus manufacturers in Europe, Otokar aims to offer various solutions to these markets.

R&D and innovation investments guide Otokar's ambition to offer zero-emission options across all vehicle models by 2028. The company also works actively in areas such as product electrification and battery technologies in the transition to alternative fuel vehicles and the use of lightweight materials. In particular, the European Green Deal and upcoming zero-emission obligations in the public transportation segment shape Otokar's strategic direction and product development. Accordingly, the Company closely follows battery regulations enacted in the European Union and various other countries. The EU's battery and waste battery management regulation mandates compliance with sustainability criteria and traceability for battery products. However, the date of application for economic operators has been postponed for two years as part of the Omnibus IV Simplification Package. Working toward compliance, Otokar continues its efforts to reduce battery-related environmental impact, develop solutions that meet recyclability criteria and increase supply chain transparency. The Company monitors the developments closely to ensure compliance with these regulations.

Focusing on green mobility solutions to reduce the impact of transportation on climate change, Otokar develops and manufactures an electric bus family, ranging from 6 to 19 meters in length. As a major global player in alternative fuel vehicles, it responds to cities' environmentally friendly vehicle needs with a wide product range consisting of natural gas and electric vehicles. As investments in vehicle technologies with reduced emissions continue, the engine systems of the current vehicle portfolio are also being upgraded for lower emission values. Otokar's zero-emission buses are ready to meet the needs of all cities, especially in Europe, that are undergoing transformation. In 2024, Otokar closed the first sale of its electric truck, e-Atlas, in the domestic market.

In addition to battery-electric technologies, hydrogen fuel cell solutions represent a key part of Otokar's product development strategy. The Company unveiled its first hydrogen fuel cell bus in late 2023, with promotional activities continuing across Europe throughout 2024. Otokar has also contributed to the establishment of the Koç University Center for Hydrogen Technologies (KUHyTech), which was opened in February 2024 to operate in the production, storage, transportation and commercialization of green hydrogen. With collaborations ongoing within the center, Otokar continues its R&D activities in this area. In order to adapt to scenarios that anticipate rapid transition, such as the NZE2050 scenario, the expansion of the hydrogen vehicle portfolio and the increase of R&D capabilities stand out as a strategic area for Otokar.

Life Cycle Assessments (LCA) to analyze the carbon footprint of products with a life cycle approach remain a key focus. LCA outputs indicate to opportunities for improving product-level carbon emissions performance and guide the design of low-carbon solutions at every stage of the product strategy. In 2024, life cycle assessments were conducted on three vehicle models.

Otokar continues to scale up its R&D investments in alternative fuel vehicles such as electric and hydrogen by prioritizing sustainability criteria in its product portfolio. Key elements of the Company's strategy include developing electric vehicle (EV) platforms, forming new partnerships in battery technology and research on innovative technologies such as hydrogen fuel cells. The product electrification strategy not only aims to reduce product-level emissions, but also contributes to the broader adoption of low-carbon solutions across the value chain. These efforts will enable Otokar to respond more rapidly to customer demand for low-carbon products and strengthen its competitiveness through compliance with zero-emission vehicle regulations within the scope of the European Green Deal and alignment with global sustainability trends.

Fuel Economy in Military Vehicles

In the military vehicles segment, Otokar develops alternative fuel solutions in different systems. While carbon emission reduction is a long-term goal, the primary focus for armored vehicles in active duty remains on crew protection, operational mobility, survivability, and mission performance. Accordingly, alternative fuel technologies are explored to support specific operational needs such as low thermal and acoustic signatures for reconnaissance, patrol and surveillance missions and autonomous operations that reduce personnel exposure.

[1] Compared to 1990 baseline

Otokar's development of advanced powertrain systems and electric military vehicle platforms contributes to the expansion of low-carbon options within this segment. Electric motor and cross-drive transmission development projects are ongoing for electric tracked vehicles; while efficiency and performance-driven enhancements continue in the Akrep II electric armored 4x4 vehicle. Additionally, electric drive power pack development efforts have been identified as a strategic priority.

Otokar leverages both in-house R&D capabilities and external industry collaborations. As part of its Unmanned Ground Vehicle development project, the Company collaborates with other defense industry players and actively participates in the Unmanned Ground Vehicles Sectoral Strategy Focus Group, coordinated by the Presidency of Defense Industries.

Supply Chain Management

Otokar does not limit its environmental management approach to its own operations; it aims to extend it across the entire value chain. Accordingly, compliance with environmental regulations and relevant standards is a key criterion in supplier selection, and suppliers' environmental performance is monitored through self-assessment surveys. The Company has already started to implement actions to improve the environmental and social performance of suppliers and plans to deepen its work with suppliers regarding climate change and carbon emissions in the times to come.

Otokar monitors its suppliers' environmental and social compliance through risk-based supplier audits. Suppliers that are signatories to UNGC and hold certifications such as ISO 14001, ISO 45001, and ISO 9001 are classified as low risk. In 2024, Otokar audited 30 suppliers under this program. No environmental or social non-compliance issues were identified that would warrant contract termination.

To support ongoing improvement, Otokar organizes online training programs to build supplier awareness of and alignment with ESG requirements. In 2024, 28 suppliers participated in these trainings.

Otokar also signed a cooperation agreement with Sakarya University for a TÜBİTAK-3005 project, titled "Developing Innovative Policies with the Progress Model for the Automotive Supply Industry in the Process of Compliance with the European Green Deal," which was awarded a grant. As part of this project, which included a Supplier Sustainability Survey, faculty members from Sakarya University joined the training sessions and provided information about the project.

Climate Risks and Opportunities

Otokar adopts a holistic approach to managing the impacts of climate change and systematically assesses the potential consequences on its operations.

Otokar's climate-related risk and opportunity analysis is conducted with short-, medium-, and long-term perspectives, and is fully integrated into its strategic planning and financial decision-making processes. The Company systematically identifies and manages the potential impacts of physical risks and transition risks imposed by climate change on its business model, value chain and financial performance. Otokar also explores growth potential in areas such as the zero-emission vehicle segment and energy efficiency-renewable energy opportunities in line with its strategic priorities.

For the reporting year 2024, Otokar conducted a detailed assessment of climate-related risks and opportunities. Based on the current analysis, no material climate-related risks or opportunities were identified that would require significant adjustments to the amounts of assets or liabilities in the Company's consolidated financial statements. Likewise, no such material risks or opportunities are expected to impact asset or liability values in the subsequent reporting period.

TIME FRAME	LINK TO FINANCIAL STATEMENTS AND STRATEGIC DECISION-MAKING PROCESSES
SHORT TERM: **0-1 YEAR**	Aligned with financial planning, budgeting, annual target setting and performance monitoring processes. Short-term risks and opportunities are monitored with respect to current assets and liabilities in annual reports and financial statements.
MEDIUM TERM: **1-5 YEARS**	Aligned with Otokar's long-term strategic planning processes. Risks and opportunities identified in this period influence decisions on capital investments, product development and market expansion, and are reflected in cash flow projections and long-term assumptions in financial statements.
LONG TERM: **5+ YEARS**	The period when the impacts of climate risks and opportunities, starting with the 2050 net-zero target, are expected to materialize. Long-term strategic and financial impacts from product portfolio transformation, supply chain changes and infrastructure investments are addressed.

Climate-Related Material Risks

Physical Climate Risks

RISK DETAILS	**Acute physical risk** **Flood risk** **Term:** Long **Impact:** Low-medium **Value chain stage with highest risk concentration:** Direct operations
RISK DESCRIPTION	Flood risks, sudden and intense rainfall or flooding events may pose operational risks at Otokar's Sakarya Arifiye plant. These risks include potential disruptions in production processes, delays in logistics operations, and interruptions in material supply. With the increasing frequency and severity of extreme weather events due to climate change, such disruptions may impact long-term business continuity and lead to a decline in customer satisfaction.
IMPACT ON OPERATIONS AND VALUE CHAIN	An increase in flood risk may disrupt Otokar's production and delivery processes, adversely affecting delivery continuity and revenue streams. Sudden and heavy rainfall can lead to production stoppages and logistical delays. Prolonged production interruptions may lower customer satisfaction and pose a risk of market share loss. These disruptions may also impact the operations of suppliers and logistics partners. In particular, flood-related interruptions in the logistics network could negatively affect supply chain continuity and customer deliveries, posing a greater threat to operational stability across the value chain. In the reporting period, Otokar conducted a detailed analysis of the physical risks in its own operations alone. In line with the Koç Holding Supply Chain Sustainability Guidelines, the Company plans to ramps up its efforts to identify physical risk exposure across its value chain, starting with critical and strategic suppliers.
IMPACT ON FINANCIAL STANDING & PERFORMANCE AND CASH FLOW	In light of available information, flood events near the Arifiye plant have been historically limited in scope and have not caused material disruption, so the associated financial impact is expected to remain manageable in the short and medium term. In the longer term, climate change could exacerbate the frequency and intensity of sudden weather events. Potential floods have been identified as a significant risk that would impact Otokar's financial position, performance and cash flows by disrupting operations, putting cost pressure due to increasing the capital, maintenance and infrastructure expenses, and higher insurance premiums. Yet the resulting financial effects of floods cannot be quantified because of substantial measurement uncertainty. This uncertainty stems from the limited availability of historical flood data and damage statistics at the local level, the wide range of possibilities between scenarios regarding future climate conditions, and the diverse nature of flood-related impacts such as lost revenue, production downtime, and maintenance or repair costs. Flood risk can cause temporary interruptions and logistical delays, potentially increasing operating expenses and generating short-term revenue fluctuations. Otokar plans to develop quantitative impact calculations for flood risk and present them in upcoming reporting periods. In consideration of these perspectives, it has been determined that the Arifiye plant, Otokar's sole manufacturing site, may be vulnerable to flood risks in the long term. However, long-term uncertainties regarding flood risks make it difficult to accurately determine the assets' or operational activities' vulnerability levels. As data quality improves, the Company plans to develop further calculations and present their outcomes in future reporting. Still, Otokar's existing infrastructure and emergency response systems should allow operations to resume rapidly. Furthermore, any interruptions in operations due to Otokar's failure to operate at full capacity are expected to be rectified fairly quickly and not to significantly impact the Company's potential revenues.
MITIGATING ACTIONS	At the Arifiye plant, flood-related processes such as incident detection, containment and water removal are managed by the facility security team in coordination with maintenance and environmental units. In emergency situations, intervention teams are deployed rapidly to the affected area. Protective infrastructure measures are regularly reviewed and updated by the facility security, environment, and occupational health and safety (OHS) teams.
IMPACT ON STRATEGY AND DECISION-MAKING PROCESSES	The risk of flooding has prompted Otokar to update its business continuity plans and prioritize infrastructure investments aimed at enhancing disaster resilience at its production facility. Alternative logistics scenarios have also been developed to minimize disruption. Furthermore, emergency response plans, organizational structures, and communication procedures have been revised to strengthen preparedness, and a rapid response capacity has been established to ensure intervention during crisis situations.
MEASUREMENT METRICS	• Production downtime due to floods and extreme weather events (days) • Potential revenue loss due to floods and extreme weather events (TL) There was no significant extreme weather event affecting Otokar's financial performance, financial position or cash streams in 2024.

Physical Climate Risks

RISK DETAILS	**Chronic physical risk** **Water stress risk** **Term:** Medium **Impact:** Moderate **Value chain stage with highest risk concentration:** Direct operations
RISK DESCRIPTION	Water stress risk poses potential operational challenges at Otokar's Arifiye, Sakarya plant, including restrictions in water supply and rising water costs due to increasing regional water scarcity. According to the WRI Aqueduct Water Risk Atlas and related assessments, water stress in the area is projected to reach "Low–Moderate" levels under both optimistic and pessimistic climate scenarios for 2030 and 2050. Additionally, the Sakarya Basin Drought Management Plan issued by the Turkish Ministry of Agriculture and Forestry highlights the possibility of periodic water restrictions for industrial users. Elevated water stress may disrupt production processes and lead to higher operational costs, ultimately affecting business continuity and the overall cost structure.
IMPACT ON OPERATIONS AND VALUE CHAIN	Increasing water stress could jeopardize production continuity by constraining water supply and driving up water costs. Interruptions in water supply, particularly in terms of process water, cooling and cleaning would lower operational efficiency and disrupt production scheduling, reducing operational efficiency and disrupting production plans. This may may weaken the capacity to sustain the business model and put negative pressure on profitability and competitiveness in the long term. The risk of water stress may affect both Otokar's own operations and suppliers that depend on water-intensive inputs. Water-related constraints and uncertainties could also lead to disruptions in suppliers' production and deliveries. This may result in disruptions in operational continuity across Otokar's supply chain and delays in product deliveries. Furthermore, water-driven disruptions in logistics infrastructure could raise costs and reduce efficiency across the entire value chain.
IMPACT ON FINANCIAL STANDING & PERFORMANCE AND CASH FLOW	In the medium term, water stress risks are expected to lead to periodic uncertainties in water supply and rising water costs within Otokar's production processes. Measures taken to mitigate potential fluctuations in water supply (such as backup water supply systems, recycling investments and emergency response planning) along with possible operational inefficiencies may result in increased operating expenses. These added costs are likely to affect line items such as cost of sales and general administrative expenses in the income statement. Water-related cost pressures may also influence cash flow performance. The water management measures and the Company's capability to maintain production at full capacity confirm that it can mitigate the potential revenue loss risks that might result from water outages. Therefore, water stress risks are expected to primarily impact Otokar because of increased water costs. However, due to current data limitations and measurement uncertainties, the precise quantitative impact cannot yet be determined and is therefore presented qualitatively for the medium term. The wide variability in forward-looking assumptions, especially regarding the relationship between water consumption and production output, makes it difficult to project the financial implications of changes in regional water availability. Otokar is currently developing methodologies to calculate the financial equivalents of the potential impacts of these risks on the Company's operations and value chain. Water stress poses a risk of vulnerability in Otokar's operating activities and revenues due to disruptions in production processes. However, the quantitative impact of this risk cannot yet be calculated due to measurement uncertainties, making it difficult to determine revenues' and operations' vulnerabilities definitively. Otokar aims to disclose the ratio of vulnerable activities by developing relevant methodologies in the coming period.
MITIGATING ACTIONS	To address the risk of water stress, Otokar is developing projects to improve water use efficiency across its facilities. Initiatives include installation of wastewater treatment systems, commissioning of rainwater harvesting systems and implementing emergency water supply plans. The ionized water recovery system completed in 2024 and the ionized processed water in the cataphoresis plant have been included in the recovery process. Additionally, awareness-raising initiatives and environmental training programs are conducted to engage employees in efforts to conserve water.
IMPACT ON STRATEGY AND DECISION-MAKING PROCESSES	Although water risks in the Sakarya Basin are expected to increase, their impact on Otokar's business continuity is currently assessed as limited due to the relatively low water dependency of its operations. To proactively manage water stress risks, Otokar is focused on enhancing water efficiency in production processes, exploring alternative water sources and planning investments aimed at further reducing operational reliance on water.
MEASUREMENT METRICS	• Total water withdrawal (m^3) • Recovered water (m^3) Otokar monitors water stress risks by tracking total water withdrawal and the volume of water recovered. The Company aims to strengthen its resilience to water-related risks by reducing overall water withdrawal and increasing water reuse and recovery rates. In 2024, total water withdrawal amounted to 220,000 m3. Approximately 160,000 m3 of water was reused in production through recycling and treatment, and 3,000 m3 of water was saved through efficiency projects.

Physical Climate Risks

RISK DETAILS	**Chronic physical risk** **Heat stress risk** **Term:** Medium to long **Impact:** Moderate **Value chain stage with highest risk concentration:** Direct operations
RISK DESCRIPTION	In the long term, climate change is expected to result in rising average temperatures and more frequent and intense extreme heatwaves, increasing the risk of heat stress at Otokar's production facilities in Sakarya.
IMPACT ON OPERATIONS AND VALUE CHAIN	Heatwaves can lead to higher energy consumption due to increased demand on cooling and ventilation systems. Elevated temperatures may also reduce production efficiency and employee productivity, negatively impacting overall performance and profitability. Additionally, equipment maintenance and repair costs may rise. In logistics, extreme heat can affect transportation conditions, potentially causing delays or disruptions across the supply chain.
IMPACT ON FINANCIAL STANDING & PERFORMANCE AND CASH FLOW	**In the Medium Term:** An increase in heatwaves may lead to higher operating expenses due to elevated energy consumption and reduced production efficiency. These impacts could be reflected as increases in the cost of sales and general administrative expenses items in the income statement. Additionally, rising operational costs may result in short-term fluctuations in cash flow. However, due to insufficient high-precision data such as the frequency, duration, and intensity of heatwaves, these financial effects have not been quantified and are presented qualitatively. This uncertainty stems from the variability in region-specific climate projections, the inability to model direct causal relationships between energy use and efficiency losses and the limited availability of detailed historical data. **In the Long Term:** Climate change is expected to further increase the frequency and severity of heatwaves, which may raise long-term operating costs and exert pressure on profitability. In particular, higher energy consumption and maintenance-repair costs could pose risks to cash flow and overall financial performance. Given the current limitations in data infrastructure, the potential long-term financial impacts cannot be precisely quantified and are therefore expressed qualitatively as increased energy costs and a risk of decreased production efficiency. Heat stress could potentially lead to vulnerabilities in Otokar's operations and therefore to lower employee productivity and higher equipment maintenance and repair costs. However, the inability to quantify the impact of this risk due to high measurement uncertainty makes it difficult to determine the ratio of vulnerable business operations. Looking ahead, we aim to improve these disclosures by enhancing data quality and methodologies.
MITIGATING ACTIONS	To mitigate the negative impacts of heatwaves, Otokar is modernizing HVAC (heating, ventilation, and air conditioning) systems at its facilities and investing in energy-efficient equipment. Additional measures are also being implemented to improve indoor ambient temperatures, with the aim of protecting employee health and maintaining workforce productivity.
IMPACT ON STRATEGY AND DECISION-MAKING PROCESSES	The risks posed by heatwaves have led Otokar to prioritize energy efficiency as part of its corporate strategy and to accelerate the implementation of related projects. Planning for heat-resilient infrastructure investments at production facilities has become a strategic focus to ensure operational continuity. Additionally, the development of environmental improvement strategies aimed at protecting employee health and sustaining productivity has emerged as a key consideration in decision-making. In this context, all investments made and measures taken to adapt to heat-related risks are aligned with Otokar's long-term sustainability objectives.
MEASUREMENT METRICS	• Energy consumption (GJ) • Total annual energy savings (GJ) Otokar is conducting energy efficiency studies to mitigate the financial impacts of heat stress on its operations. In 2024, Otokar's total energy consumption amounted to 271,833 GJ and energy savings to 10,674 GJ.

Transition Risks

RISK DETAILS	**Legal risk** **Carbon pricing mechanism risks** **Term:** Long **Impact:** High **Value chain stage with highest risk concentration:** Direct operations
RISK DESCRIPTION	Otokar is currently classified as a Category A business under Türkiye's Monitoring, Reporting, and Verification (MRV) regulation. The National Emissions Trading System (ETS), slated for implementation in 2025-2026 and planned with a three-year pilot phase, will initially apply only to Category C businesses emitting over 500,000 tons of CO_2e annually. Hower, the system is expected to undergo expansion and revision over the longer term. Should the ETS be extended to include Category A businesses, Otokar may become subject to new regulatory obligations, such as purchasing carbon allowances based on future allocation methods. These potential changes could have a significant impact on Otokar's long-term business model, financial planning, and strategic objectives.
IMPACT ON OPERATIONS AND VALUE CHAIN	If the ETS scope expands in the long term to include Category A businesses, Otokar's production operations may incur carbon pricing costs. This would increase the need for enhancing carbon efficiency and energy performance across operational processes. Carbon allowance expenses, particularly in high-emission production lines, could impact the Company's cost structure and place pressure on operational profitability. From a value chain perspective, such an expansion would also necessitate greater transparency in carbon emissions reporting, requiring closer collaboration with suppliers to reduce carbon footprint.
IMPACT ON FINANCIAL STANDING & PERFORMANCE AND CASH FLOW	If the ETS is expanded in the long term to include Otokar, the Company may be required to purchase additional carbon allowances should its allocated allowances fall short of covering emissions from production activities. This would result in a direct cash outflow and lead to an increase in operating expenses under the carbon cost category. The inclusion of these costs in the product cost structure could reduce production profitability and negatively affect price competitiveness. As the scope and implementation details of the ETS, such as allocation methods and free allowance distribution rates, have yet to be finalized, the financial impact of these potential carbon pricing obligations for Otokar cannot be quantified with certainty at this stage.
MITIGATING ACTIONS	Otokar regularly monitors and measures its Scope 1 greenhouse gas emissions and aims to reduce them by prioritizing energy efficiency initiatives and renewable energy investments. The Company is also in the process of developing emissions projections and setting long-term reduction targets to lower the carbon footprint of its production processes.
IMPACT ON STRATEGY AND DECISION-MAKING PROCESSES	While determining long-term financial planning and investment priorities, Otokar also takes into consideration the reduction of its direct and indirect emissions. The Company's strategies and initiatives to lower its direct and indirect emissions are further detailed in the report under Strategy for Combating Climate Change.
MEASUREMENT METRICS	• Scope 1 emissions (tons CO_2e) If Otokar becomes subject to the Turkish Emissions Trading System, it may incur costs associated with Scope 1 emissions. To manage this risk, the Company closely monitors its Scope 1 emissions. Relevant emissions performance data is provided in the Metrics and Targets section of this report.

Transition Risks

RISK DETAILS	**Legal risk** **Increase in raw material prices due to ETS in the supply chain** **Term:** Short-medium **Impact:** Medium **Value chain stage with highest risk concentration:** Direct operations and supply chain
RISK DESCRIPTION	The acceleration of climate change in Türkiye, combined with legislative developments aligned with the country's 2053 Net Zero Emissions target, is giving rise to growing policy and legal risks. The upcoming national Emissions Trading System (ETS), expected to be implemented in 2025-2026, along with the draft Climate Law as the basis for this system, includes regulatory measures that may place indirect cost pressures on industrial enterprises. These emerging regulations represent transition risks that could affect not only Otokar's direct operations but also its supply chain structures.
IMPACT ON OPERATIONS AND VALUE CHAIN	The implementation of the Turkish ETS is expected to lead to higher production costs in carbon-intensive sectors within Otokar's supply chain such as iron and steel, and aluminum. The resulting increase in final product and service prices may raise Otokar's procurement costs and operational energy expenses. In the long term, this may necessitate the restructuring of supplier selection criteria to account for carbon performance as well as the development of new strategies to manage operational costs across the value chain.
IMPACT ON FINANCIAL STANDING & PERFORMANCE AND CASH FLOW	The Turkish National Emissions Trading System (ETS), expected to come into effect in 2025, may result in indirect cost increases even for industrial enterprises like Otokar that are not initially covered by the system. Specifically, carbon pricing-related costs incurred by electricity suppliers are expected to be reflected in electricity prices, potentially raising Otokar's energy expenses in the short term by increasing unit electricity costs. In the medium term, as the ETS evolves and expands to cover additional sectors, cost increases may also arise due to purchases from carbon-intensive industries such as iron and steel and aluminum. The reflection of carbon costs by suppliers into product pricing may lead to a permanent rise in Otokar's production costs. At this stage, the regulatory framework for the Turkish ETS and details such as scope, sectoral coverage and pricing mechanisms have not been finalized. As a result, the precise financial impact of both direct and indirect cost increases cannot yet be quantified. However, these impacts are expected to become clearer once the full scope and implementation details of the ETS are defined. The impacts of potential increases in raw material costs due to the implementation of the upcoming Turkish Emissions Trading System, and Otokar's vulnerability levels cannot yet be measured given the unavailability of sufficient data and information. Once the details of the ETS are clearer, Otokar aims to improve calculations and report them in the times to come.
MITIGATING ACTIONS	To mitigate transition risks under the scope of Türkiye's ETS, Otokar is implementing energy efficiency projects across its production facilities and working to reduce its operational carbon footprint. As part of these efforts, solar power plant investments have been made and commissioned to increase the use of renewable energy. Additionally, Otokar has started monitoring the carbon emission data of key suppliers to help manage supplier-related carbon costs in the supply chain.
IMPACT ON STRATEGY AND DECISION-MAKING PROCESSES	Transition risks arising from Türkiye's ETS have reinforced Otokar's focus on strengthening low-carbon production strategies and reducing its operational emissions. Key actions, including product carbon footprint reduction, expanding carbon management capacity and monitoring supplier carbon performance, are now embedded in the Company's strategic planning processes. To support product-level carbon management, Life Cycle Assessments (LCA) were completed for five different vehicle models by the end of 2024, including the entire electric vehicle portfolio. LCA studies are also planned for at least three additional models in 2025.
MEASUREMENT METRICS	• Purchased electricity (MWh) • Iron and steel raw material use (ton) To assess supply chain risks in the context of ETS, Otokar tracks the quantities of raw materials and energy procured through purchasing records.

Climate-Related Material Opportunities

OPPORTUNITY DETAILS	**New products and services** **Term:** Medium **Impact:** Low-medium **Value chain stage with highest risk concentration:** Direct operations and downstream value chain (export markets, primarily the European Union, and the Turkish market)
OPPORTUNITY DESCRIPTION	Under the CO_2 emission standards outlined in the European Union's Green Deal, the adoption of zero-emission vehicles in public transportation is becoming increasingly mandatory. This transformation presents growth and sales opportunities for Otokar in the European market, particularly through its electric bus models, such as e-Kent and e-Centro. By accelerating its strategy of further developing its electric and low-emission vehicle portfolio, Otokar enhances its competitive advantage in both public procurement and private sector projects across Europe.
IMPACT ON OPERATIONS AND VALUE CHAIN	Driven by rising demand for zero-emission public transportation vehicles in Europe, Otokar has reshaped its product development and growth strategies to prioritize this segment. The Company's e-Kent electric bus was updated and relaunched in 2024, enhancing its competitiveness in European public procurement markets. This strategic shift has expanded Otokar's electric vehicle product portfolio, creating new sales opportunities and supporting long-term revenue growth. To support electric vehicle production, Otokar has diversified its supply chain in key areas such as batteries, electric drivetrains and next-generation energy management systems. It has also established partnerships with specialized suppliers in power electronics and software, unlike those involved in traditional internal combustion engine components. Looking ahead, low-carbon production processes and energy efficiency criteria are expected to become increasingly integrated into value chain management.
IMPACT ON FINANCIAL STANDING & PERFORMANCE AND CASH FLOW	The growing demand for zero-emission vehicles in Europe presents significant growth potential for Otokar. The expansion of public procurement and electric bus projects is expected to boost sales revenues and gross profit in the medium term. As these new sales opportunities grow, their contribution to Otokar's total revenue is anticipated to increase, thereby strengthening the Company's profitability structure. Additionally, entry into new markets and the broadening of the customer portfolio are expected to generate stable and sustainable revenue growth, contributing positively to cash flow performance. These anticipated financial gains align with Otokar's long-term strategic goals and are expected to enhance its competitive advantage and market position. Otokar applies the disclosure exemptions outlined in TSRS paragraphs B34–B36 for commercially sensitive information such as the financial impacts of new product and service opportunities. Accordingly, detailed financial figures related to new product and service opportunities have not been disclosed in this report. Operational activities aligned with climate-related opportunities manifest as revenues from the sale of electric and alternative fuel vehicles. These revenues are included in the income line item of the Company's financial statements.
IMPACT ON STRATEGY AND DECISION-MAKING PROCESSES	Rising demand for zero-emission vehicles has prompted Otokar to reshape its product development and growth strategies to meet this market transformation. The Company has placed zero-emission solutions at the core of its long-term growth agenda and significantly expanded its electric vehicle portfolio. As part of this strategy, Otokar has introduced a new generation of electric bus models (including e-Kent, e-Centro and e-Territo), all developed in accordance with European regulatory standards. In parallel, the Company has scaled up its R&D investments and accelerated innovation efforts in key areas such as electric drivetrains, battery technologies and alternative fuel systems.
MEASUREMENT METRICS	Otokar tracks the following metrics to measure opportunities arising from products and services: • Number of alternative fuel vehicles sold • The ratio of revenue from sales of alternative fuel vehicles to total revenues (%)

Climate-Related Material Opportunities

OPPORTUNITY DETAILS	**Energy efficiency and renewable energy opportunities** **Term:** Short and medium **Impact:** Medium **Value chain stage with highest opportunity concentration:** Direct operations
OPPORTUNITY DESCRIPTION	Given the rising energy costs, sustainability regulations and global expectations for reducing carbon footprints, increasing energy efficiency in production and using renewable energy promise a significant competitive advantage. Otokar's products are primarily used in public service, with local and international public institutions and organizations among its critical clients. The Company's climate strategies are queried in tenders opened by such institutions, which prioritize public interest in their procurement. Renewable energy use could be a decisive criterion in various public tenders. Investments in this area give the Company a competitive advantage over its peers. Otokar is seizing the opportunity to reduce operational costs and carbon footprint and leverage competitive advantages in public tenders through its solar power plant (SPP) investments and energy efficiency projects in Sakarya and Malatya. These investments enhance the Company's resilience to climate change by creating advantages such as long-term financial strength, elevating sustainability performance and brand recognition with environmentally friendly production practices.
IMPACT ON OPERATIONS AND VALUE CHAIN	Otokar's investments in energy efficiency and renewable energy play a key role in lowering operational energy costs, reducing carbon emissions in production and enhancing energy security. By decreasing energy intensity, these initiatives help reduce production costs to more predictable and manageable levels, while also boosting the Company's financial resilience and long-term competitiveness. Investing in this area is a criterion in public tenders and a competitive advantage for Otokar. The ability to generate a portion of its own energy and implement energy-saving measures supports Otokar's operational continuity and contributes to an improved cost structure across the value chain.
IMPACT ON FINANCIAL STANDING & PERFORMANCE AND CASH FLOW	In the short term, Otokar's energy efficiency projects and solar power plant investments provide cost savings that support cash flow by lowering operational expenditures. In the medium term, the Malatya solar power plant and initiatives implemented under the ISO 50001 Energy Management System contribute to a higher share of renewable energy use and reduced energy intensity, enabling the creation of a financial structure more resilient to emission-related cost pressures. This transition allows energy-related operating expenses to stabilize at a more predictable level, while also lowering per-unit production costs, which in turn supports improvements in gross profit margins and overall profitability. As a result, Otokar's financial performance is strengthened and its long-term financial resilience and competitive position are further reinforced.
IMPACT ON STRATEGY AND DECISION-MAKING PROCESSES	Otokar has made energy efficiency a core element of its strategic planning through the implementation of the ISO 50001 Energy Management System. With the goal of increasing renewable energy use and reducing carbon intensity in production, the Company is restructuring its operations around low-carbon solutions, supported by solar power plant investments in Sakarya and Malatya. These efforts reflect a broader integration of sustainability-focused decision-making into Otokar's approach to capturing new business opportunities and strengthening its competitive advantage. Additionally, the Company performs GHG emissions calculations in compliance with ISO 14064-1 and the GHG Protocol, aligning its performance monitoring with long-term strategic goals.
MEASUREMENT METRICS	• Total energy consumption (GJ) • Share of renewable energy in total energy consumption (%) • Financial savings from energy efficiency projects (TL) • Scope 1 and Scope 2 emission reductions achieved through energy efficiency efforts (tons CO_2e)

Climate Scenario Analyses and Results
In the reporting period and in 2025, Otokar conducted climate scenario analyses focused on transition risks, aiming to address the uncertainties associated with climate change and to inform strategic decision-making processes.

Physical Scenario Analyses: This section presents the findings of a comprehensive desktop study assessing the potential future impacts of climate-related physical risks specific to Arifiye Plant, Otokar's sole manufacturing site. Conducted from a long-term, scenario-based perspective and grounded in scientific data, the study aligns with the disclosure expectations set out in TSRS 2. As detailed in the Analysis Method section below, the assessment utilized data from international climate databases and was carried out in the context of current climate conditions and operational realities unique to the Arifiye Plant.

Analysis Method
Internationally recognized climate data platforms and modeling tools were used in the analysis, with key sources including:

- **WRI Aqueduct:** Assessed indicators such as water stress, renewable groundwater risk, total water risk, and sector-specific water withdrawal trends.
- **WWF Water Risk Filter (WRF):** Evaluated metric-based risk scores including water access, infrastructure, and service-related risks.
- **World Bank Climate Change Knowledge Portal:** Analyzed regional projections for temperature and precipitation, along with climate scenario data.

To account for variations in global warming scenarios, three IPCC-compatible Shared Socioeconomic Pathways (SSP) scenarios were used:

- SSP1-2.6: A low-emissions scenario (<2°C) characterized by strong climate mitigation efforts.
- SSP2-4.5: A moderate-emissions scenario (~3°C), reflecting intermediate emission and warming scenario.
- SSP5-8.5: A high-emissions scenario (>4°C).

For each scenario, projections for 2030 and 2050 were assessed, with 2080 also considered for water stress-related risks. Metrics such as temperature threshold exceedances, frequency of heat and cold wave days, fire-prone area extent, and sea level rise were used to evaluate physical impacts. Both current observational data and model outputs were utilized for comparative analysis, and risk levels were classified based on quantitative metrics. This approach was designed to highlight scenario-specific differences and the long-term impact potential of climate change, in alignment with the disclosure expectations under TSRS 2.

Findings Related to Physical Risks
Extremely Hot Days (>35°C)
Projections indicate an increase in the frequency of days with temperatures exceeding 35°C in the region where Otokar's Arifiye Plant is located. Despite this projected rise, scenario analysis results show that the associated risk level remains very low across all SSP scenarios (SSP1-2.6, SSP2-4.5, SSP5-8.5) and timeframes (2030 and 2050). These findings suggest that the facility maintains its resilience to current temperature thresholds and is not expected to face significant risk from extreme heat days in the short to medium term.

Heat Waves
Heat waves represent a material physical risk, with potential impacts on employee health, production efficiency, and equipment performance. According to the scenario analysis:

- By 2030, a medium level of risk is projected across all scenarios.
- By 2050, the risk level increases to very high in all scenarios.

These results indicate that heat waves will emerge as one of the most critical physical risks for the Arifiye Plant in the long term.

In the scenario foreseeing heat waves potentially reaching a moderate risk level in 2030 and a very high risk level in 2050, combating extreme temperatures becomes a higher priority within Otokar's long-term business model. Specifically, temperature increases have the potential to increase energy consumption and, consequently, energy costs at the Arifiye plant, Otokar's sole manufacturing site. This is associated with increased use of air conditioning and cooling systems. Therefore, energy efficiency investments are becoming increasingly important for Otokar.

Additionally, an increase in heat waves in the longer term represents another critical impact that can result in lower production equipment and machinery performance and heightened frequency of breakdowns. This brings the risk of inefficiencies in production and higher maintenance costs. Furthermore, heat waves can pose risks such as heat stress for employee health and safety.

Water Risks
The water risk scenario analysis for the Arifiye Plant was based on a detailed scoring methodology that incorporates both basin-level physical risks and facility-specific operational exposure. Data from WRI Aqueduct Water Risk Atlas 4.0 and WWF Water Risk Filter 6.0 was integrated with company-specific operational data and weighted using sector-relevant factors. The total water risk score was calculated by assigning equal weights to basin and operational risk components.

Key indicators and findings include:

- Current Water Stress and 2030 Projection (Business-as-Usual): Both yield a score of 2.25, indicating a low to moderate level of water stress.
- Blue Water Scarcity and Water Depletion Risk: Seasonal and source-related water

Carbon Pricing Assumptions Used in Scenario Analyses

USD PER TONS CO_2 (2023)	Country / Territory	2030	2035	2040	2050
STEPS SCENARIO	European Union	140	145	149	158
NZE SCENARIO	Emerging countries committed to net zero emissions	90	125	160	200

availability risks are present but have not reached high levels.
- Drought Frequency and Drought Increase Projections: A rising trend in drought frequency is most pronounced under the SSP5-8.5 (high-emissions) scenario.
- Total Physical Water Risk Score: The weighted overall risk assessment indicates a significant level of physical water risk for the Arifiye Plant.

This analysis addresses both current water-related risks and long-term risks associated with water scarcity and drought. The findings support Otokar's strategic planning for investment in water resilience and indicate that water-intensive production processes may face increasing pressure, particularly under high-emissions scenarios.

Transition Scenario Analyses: For the assessment of transition risks,Otokar utilized two internationally recognized scenarios: the Stated Policies Scenario (STEPS) and the Net Zero Emissions by 2050 Scenario (NZE 2050). These scenarios were used to evaluate medium- and long-term impacts for the years 2030 and 2050, key milestones aligned with global climate targets.

The IEA STEPS scenario envisions a world in which current policies and Nationally Determined Contributions (NDCs) continue, resulting in a more limited low-carbon transition. This scenario assumes a gradual increase in carbon prices, relatively high demand for fossil fuels and a slower expansion of energy efficiency investments. In contrast, the IEA NZE2050 scenario outlines a rapid and deep transition aligned with the 1.5°C climate goal, forecasting global carbon prices exceeding USD 250 per ton by 2050, a sharp decline in fossil fuel use and accelerated investment in energy efficiency. In both scenarios, electrification, battery technologies, hydrogen solutions and renewable energy emerge as key transition drivers. Otokar's scenario analysis incorporates these global assumptions to evaluate the Company's compliance capacity across several dimensions, including operational cost structure, supply chain adaptation and long-term strategic transformation.

The analysis covers Otokar's commercial and defense vehicle production operations at its Sakarya plant, the Company's sole manufacturing facility, as well as the relevant supply chain activities. However, activities unique to the defense industry market were excluded, in line with sector-specific considerations. The analysis also includes Türkiye, where Otokar's domestic sales occur, and its main export markets, particularly the European Union. Medium- and long-term impacts (2030 and 2050) were assessed using macroeconomic and sectoral assumptions from the IEA scenarios such as carbon pricing trends, energy prices, production costs, sectoral energy and emissions distribution, global growth projections and advancements in hydrogen and battery electric vehicle technologies. As this is Otokar's first TSRS-compliant report, the scenario analysis focuses on using quantitative assumptions to generate qualitative outputs, based on the Company's current capabilities. In future reporting periods, Otokar aims to refine its scenario analysis

methodology and incorporate quantitative outputs more comprehensively. For the current period, the potential effects of the scenarios on Otokar's operations, supply chain and business model have been assessed on a qualitative basis.

The scenario analysis was carried out through a series of workshops and internal meetings involving Otokar's sustainability, environment, R&D, systems and production engineering, budget and reporting, purchasing, sales and marketing, investor relations and corporate governance teams. These workshops assessed the potential impacts of climate scenarios on the Company's business model, product portfolio, production processes, supply chain and financial resilience.

Otokar's use of the IEA STEPS and NZE2050 scenarios allowed for the examination of two contrasting futures: one characterized by a slower low-carbon transition, and another involving a rapid and deep transformation. This approach enabled a comparative assessment of how climate-related developments could affect Otokar's activities, business model, supply chain, financial resilience and technology investment needs. These scenarios were preferred specifically for Otokar to evaluate the strategic conditions under which the Company could adapt its business strategy and maintain resilience in the face of carbon pricing, energy costs, customer expectations and regulatory pressures. Through these analyses, material areas that would enhance Otokar's resilience such as renewable energy investments, low-carbon supply chain partnerships, and product portfolio transformation were identified, providing direct insights into strategic planning. As such, the scenario analysis served as more than a tool for risk identification and became a proactive instrument for Otokar's decision-making processes against climate-related changes, developments and uncertainties.

The scenario analyses conducted by Otokar are grounded in macroeconomic and sectoral assumptions drawn from international reference scenarios and also take into account key areas of uncertainty in the process of assessing the impacts of climate-related risks and opportunities. These uncertainties include factors such as the timing and level of regional carbon pricing mechanism implementations, long-term volatility in energy prices, differences in the regulatory adaptation of major markets such as the European Union, and the speed at which customer demands (particularly for electric and hydrogen vehicles) will take shape. Factors such as whether the supply chain adaptation process would occur within the anticipated timing, the commercialization period and costs of new technologies (e.g. hydrogen infrastructure, battery technologies) also create uncertainty in assessments regarding climate resilience. Therefore, the analysis outputs were assessed using qualitative methods and strategic scenarios were created with the recognition of these uncertainties.

Scenario Analysis Results and Potential Impacts on Business Strategy

Electric and Hydrogen Vehicles

The scenario analysis indicates that the transition to electric vehicles (EVs) in Europe will accelerate, reinforcing Otokar's strategy to strengthen its electric vehicle portfolio in line with its 2030 targets. The company plans to focus on developing electric variants of its commercial vehicles, particularly through 2028. It is also anticipated that fuel cell technologies will become widespread and hydrogen infrastructure will gain momentum in target markets after 2030. The NZE2050 scenario, in particular, emphasizes the need for a faster transition, highlighting Otokar's potential to enhance innovation and expand collaborations in hydrogen technologies. The Company's product development efforts such as the introduction of its 12-meter hydrogen bus reflect alignment with this strategic direction.

Supply Chain and Cost Management

In both scenarios, particularly NZE2050, carbon pricing and raw material costs are expected to increase more rapidly. This underscores the need for Otokar to strengthen its supplier relationships and enhance its low-carbon production capabilities. The Company's efforts to develop new technologies and deepen collaboration with critical suppliers have emerged as strategic actions to build resilience against long-term cost pressures.

Energy Management and Renewable Energy Use

The scenario analysis shows that Otokar's Malatya Solar Power Plant is expected to supply approximately 60% of the Company's total electricity demand. With potential efficiency gains and additional investments in the Sakarya facility, this ratio could rise to 85%. This progress would significantly improve Otokar's energy security and resilience against energy-related cost volatility. Moreover, additional cost-saving and transformation initiatives, particularly in reducing natural gas use in production, are seen as supportive of the Company's energy transition goals.

Sales and Marketing Processes

The analysis highlights that the electric vehicle transition in Europe is gaining momentum due to government incentives, infrastructure development and pilot projects such as hydrogen infrastructure initiatives in Italy that are enhancing market entry opportunities. With country-specific dynamics becoming more prominent, the

growing demand for electric and hydrogen vehicles is expected to increase Otokar's sales volume and market share. In the long term, this trend will help Otokar build a more agile and competitive business model. The Company's launch of more than ten new models in the past decade and its focus on sustainable transportation solutions provide a solid foundation for success in this transition.

Otokar allocates its financial resources in line with its business plan and strategic priorities to address the transition risks and technological adaptations foreseen in the climate scenarios. R&D incentives are also leveraged for projects that improve energy efficiency and facility modernization. Each year, R&D and energy efficiency initiatives, set against annual targets, are reviewed within the budget plans and included in the Company's relevant expense items.

Otokar's balance sheet management, cash flow planning, and investment prioritization processes are designed to remain flexible and resilient amid climate-related uncertainties and emerging opportunities. The Company's current and external funding capacity allows it to finance transition investments compatible with short-, medium-, and long-term climate scenarios.

In summary, the scenario analysis confirms that Otokar is progressing through a flexible, low-carbon, and innovation-focused transition that strengthens the resilience of its strategic and operational plans to climate change.

While energy efficiency and cost control are prioritized in the short term, the expansion of the hydrogen and electric vehicle portfolio, supply chain adaptation, and a collaborative transition strategy are targeted for the medium to long term. Results from the scenario analyses will be further integrated into strategic planning to enhance Otokar's overall climate resilience. Moreover, the Company is reviewing its climate targets and transition plans in terms of alignment with the 1.5 °C scenario and is developing a roadmap and business strategy consistent with Koç Holding's Carbon Transition Program's net-zero target.

RISK MANAGEMENT

The evolving landscape of climate change and sustainability presents systemic risks as well as emerging opportunities that may impact Otokar's operations. In response, Otokar adopts an integrated and structured risk management approach for the early identification, assessment, prioritization, monitoring and mitigation of climate-related risks and opportunities.

Risk and Opportunity Management Processes

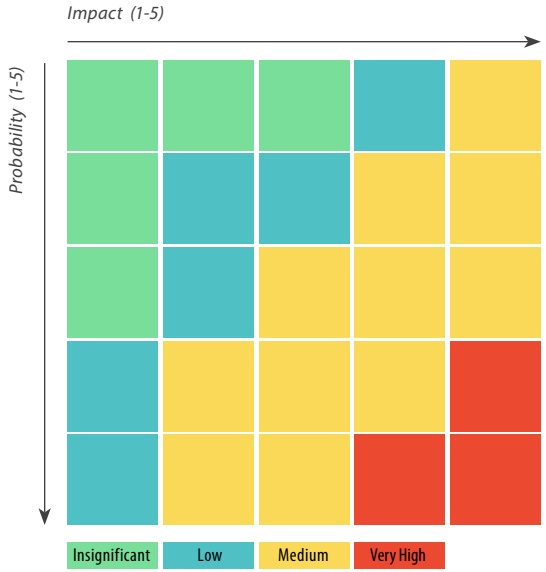
At Otokar, the processes of identifying, evaluating and monitoring risks and opportunities are carried out in accordance with the "Otokar Corporate Risk and Opportunity Management Procedure," aligned with the ISO 31000 standard. Climate change and sustainability-related risks are integrated into these existing risk management processes. Risk thinking is applied through preventive actions to eliminate potential nonconformities, root cause analysis of any issues that arise and the implementation of appropriate measures to prevent recurrence based on impact.

Enterprise risk management activities are conducted with a process-based approach. Accordingly, indicators, relevant steps, interaction processes and responsible parties are clearly defined. Internal and external contexts that may influence the Company's strategy, objectives, business model and activities are identified using inputs such as Otokar's SWOT analysis and stakeholder expectations. External context includes legal, technological, competitive, market, cultural, social and economic developments at the national, international, regional, and local levels. Internal context encompasses Otokar's values, culture, knowledge base and performance. The positive and negative impacts of these contexts are used as inputs in Corporate Risk and Opportunity Assessments. Process and risk owners, stakeholders from interacting processes, the Quality Assurance team, Environment and Investment teams, Quality Management and the Assistant General Manager contribute to the identification of risks and opportunities.

Otokar's Corporate Risk Assessment Matrix forms the basis of risk analysis. Potential opportunities are evaluated alongside risks.

Risks are assessed using a 5x5 impact and probability matrix, scored on a five-point scale based on their likelihood of occurrence and potential impact on strategic process objectives. Both quantitative and qualitative criteria such as financial loss, reputational damage, and adverse effects on employees

Otokar Risk Matrix



are used in impact assessments. Each risk is scored according to its probability and impact magnitude, and categorized as “insignificant,” “low,” “medium,” “high,” or “very high.” Otokar’s current risk matrix is based primarily on qualitative information in terms of assessment areas and criteria. The Company has identified its current risk assessment processes as a development area and started to improve them in 2025.

The Quality Assurance team monitors the implementation timelines, effectiveness, and current status of mitigation and preventive actions for risks categorized as high or very high, supported by corresponding improvement activities and project documentation. Additionally, risks classified as medium are evaluated during internal audits. While action plans for medium-level risks typically span a 1–2 year period, immediate corrective actions are initiated for risks rated as very high. Within Otokar’s current risk management framework, all risks and opportunities rated medium or above are considered material and are subject to reporting. Climate and sustainability-related risks and opportunities are also evaluated based on their potential impact on profitability and revenue. However, due to measurement uncertainties, the quantitative impacts of the reported risks and opportunities could not be calculated for 2024. In line with the financial statements, the materiality threshold for 2024 was determined based on revenue. The material information in the report is disclosed upon evaluating the threshold values together with the enterprise risk management matrix.

Otokar determines the materiality threshold for the TSRS report based on its Enterprise Risk Management Matrix, which evaluates both quantitative and qualitative factors. Accordingly, climate-related risks and opportunities assessed at medium level or higher are considered and reported as material issues, as they require Otokar to develop action plans and take appropriate measures.

Each process owner identifies and reviews the risks associated with their core processes and defines corresponding actions at the unit level. Risk analyses and related activities are reviewed with the relevant process owners and the Assistant General Manager during periodic internal audits, Koç Dialogue OKR periods and Management Review Meetings. Risks are continuously monitored, the effectiveness of mitigation actions is evaluated and the need for any further planning is determined.

Climate and sustainability-related risks are also defined, assessed and monitored in an integrated manner within the enterprise risk management framework. Furthermore, the management of climate-related risks and opportunities is supported by scenario analyses. Within this context, Otokar evaluates the potential impacts of these risks and opportunities on its business model, operations and value chain under different climate scenarios. Detailed information on these analyses is provided in the Strategy section of this report.

As this is Otokar’s first reporting year under the Türkiye Sustainability Reporting Standards (TSRS), there have been no changes to the methodology used for identifying or assessing risks. Should any changes occur in the scope or methodology in future reporting periods, these will be disclosed in detail in the relevant reports.

Integrating Risk Management Processes into Strategy and Operations

Climate-related risks and opportunities are integrated into Otokar’s overall strategic planning and operational management cycles. Risk reviews are recorded in the Company’s digital management infrastructure, monitored on a regular basis and updated as needed. All relevant process owners at Otokar are responsible for monitoring corporate risks and opportunities.

Climate-related risk and opportunities are also systematically incorporated into investment decisions, new product development processes and supply chain management. The outcomes of risk assessments serve as a guide for key decision areas such as capital allocation, R&D priorities and business continuity plans.

Through this comprehensive approach, Otokar not only builds resilience against current risks but also aims to fully capitalize on strategic opportunities presented by the transition to a low-carbon economy.

METRICS AND TARGETS

Climate-Related Metrics
As part of its commitment to achieving carbon neutrality in the fight against climate change in alignment with Koç Holding's Carbon Transition Program, Otokar monitors and reports its greenhouse gas (GHG) emissions comprehensively and transparently. The company's 2024 GHG inventory was prepared in line with the Greenhouse Gas Protocol and ISO 14064-1:2018 standards and has undergone independent assurance. Otokar tracks and discloses both direct and indirect emissions, based on the operational control approach.

Greenhouse gas emissions are measured and reported according to the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004). Emission calculations are supported by factors from internationally recognized sources, including the IPCC 2006 Guidelines, GHG Protocol Transportation Tool, DEFRA Greenhouse Gas Reporting Conversion Factors 2024 and the Ecoinvent 3.8 database. For Scope 2 emissions, emission factors from the International Energy Agency (IEA) are used. The methodology involves direct measurement or collection of operational data (e.g., energy consumption, fuel usage, logistics data) from reliable sources, followed by multiplication with appropriate emission factors to calculate total emissions.

The inputs used for measuring Scope 1 (direct emissions), Scope 2 (indirect energy emissions) and Scope 3 (other indirect emissions) greenhouse gas emissions include concrete operational data such as natural gas and diesel consumption, electricity consumption and logistics transportation data. The emission factors used in emission calculations are taken from scientific sources such as the IPCC and GHG Protocol and adjusted for local conditions.

2024 greenhouse gas emissions were calculated as 14,781 tons CO_2e for Scope 1, 12,740 tons CO_2e for Scope 2 and 4,929,872 tons CO_2e for Scope 3, reaching a total of 4,957,394 tons CO_2e.[2] Otokar did not utilize contractual instruments such as renewable energy certificates (RECs) in 2024.

All relevant categories have been included in Otokar's Scope 3 calculations. Since Otokar's products are designed for end-use and therefore not subject to any significant physical or chemical processing (Category 10), there are no dealership activities (franchises) that could be included in Category 14, and no material investment activities that could be assessed in Category 15, and no emission calculations made for these categories. The largest portion of Scope 3 emissions is generated by the use of products sold (4,564,383 tons of CO_2e, approximately 92% of total emissions) and purchased goods and services (322,106 tons of CO_2e, approximately 6.5% of total emissions).

Internal Carbon Pricing: Otokar does not currently apply any internal carbon pricing in its decision-making processes and does not use a carbon price per metric ton to assess the cost of greenhouse gas emissions. However, it plans to evaluate the implementation of internal carbon pricing in the future to strengthen its climate strategy and enhance decision-making processes.

Scope 2 market-based emissions are included in the emission calculations. For Scope 1 and Scope 2 greenhouse gas emissions, unconsolidated subsidiaries or affiliates as referred to in TSRS 2 section 29(a)(iv)(2) have not been included.

GREENHOUSE GAS EMISSIONS (TONS CO_2E)	2024
SCOPE 1	14,781
SCOPE 2 (Location-based)	12,939
SCOPE 2 (Market-based)	12,740
SCOPE 3	4,929,872
TOTAL	**4,957,394**

SCOPE 3 EMISSIONS BY CATEGORIES (TONS CO_2E)	2024
CATEGORY 1: PURCHASED GOODS AND SERVICES	322,106
CATEGORY 2 - CAPITAL GOODS	15,607
CATEGORY 3 - FUEL- AND ENERGY-RELATED ACTIVITIES NOT INCLUDED IN SCOPE 1 OR SCOPE 2	3,777
CATEGORY 4 - UPSTREAM TRANSPORTATION AND DISTRIBUTION	10,418
CATEGORY 5 – WASTE GENERATED IN OPERATIONS	81
CATEGORY 6 - BUSINESS TRAVEL	1,733
CATEGORY 7 - EMPLOYEE COMMUTING	2,433
CATEGORY 8 - UPSTREAM LEASED ASSETS	600
CATEGORY 9 - DOWNSTREAM TRANSPORTATION AND DISTRIBUTION	7,622
CATEGORY 11 - USE OF SOLD PRODUCTS	4,564,383
CATEGORY 12 - END-OF-LIFE TREATMENT OF SOLD PRODUCTS	346
CATEGORY 13 – DOWNSTREAM LEASED ASSETS	768
SCOPE 3 TOTAL	**4,929,872**

Climate Targets

Otokar continues its efforts in alignment with Koç Holding's 2050 net-zero target and has adopted this goal as its own. The target includes achieving absolute reductions in gross Scope 1 and Scope 2 emissions by 2050. Work is ongoing to set targets for Scope 3 emissions. Performance data for Scope 1, 2, and 3 emissions has been disclosed for 2024.

As part of vehicle transformation initiatives as a key focus area in Otokar's climate strategy, the Company aims to develop zero-emission variants for all vehicle models by 2028.

The Company's greenhouse gas reduction strategies and roadmap preparations are ongoing, with plans to set interim reduction targets in 2025. Meanwhile, activities continue in light of the updated Automotive sector guide of the Science-Based Targets initiative (SBTi). The efforts to reduce emissions are aligned with the Paris Agreement and SBTi. Otokar's current climate targets and target setting methodology have not yet been verified by a third party.

Otokar did not use any carbon credits during the reporting period. A strategy has not yet been developed for how carbon credits will be used in the process of achieving the targets it has set and will set in the future. However, Otokar's primary goal is to achieve climate targets by focusing on direct reduction.

Industry Metrics: In accordance with the Sector-Specific Implementation Guide of TSRS 2, Otokar monitors sector-specific and activity-based metrics relevant to its operations in the automotive and defense industries. In this context, 2024 data includes product-specific performance indicators, such as the number of zero-emission vehicles sold and total production units. Additionally, reportable segment production volumes are included within the scope of this reporting, ensuring transparency and alignment with industry-specific disclosure expectations.

Volume 63 – Automobiles

TOPIC	Metric	2024
FUEL ECONOMY AND LIFE CYCLE EMISSIONS	Sales-weighted average passenger fleet fuel economy by markets	**European Union** Bus, Midi, Mini 0.39006 l/km Diesel 1,154.57 gCO_2/km Mini Electric 0.11 kwh/km Electricity 32.406 gCO_2/km CNG Bus 0.4081 l/km CNG 1,195.73 gCO_2/km Electric Bus 1.41 kwh/km Electricity 415.386 gCO_2/km **Non-EU** Bus, Midi, Mini 0.47035 l/km Diesel 1,392.23 gCO_2/km **Türkiye** Bus, Midi, Mini 0.34005 l/km Diesel 1,006.56 gCO_2/km
	Zero-emission vehicles (ZEV) sold	*
	Hybrid vehicles sold	*
FUEL ECONOMY AND LIFE CYCLE EMISSIONS	Plug-in hybrid vehicles (PHEV) sold	0

** Not disclosed, commercially sensitive information.*

OPERATIONAL METRIC	2024
COMMERCIAL VEHICLES MANUFACTURED	5,610
COMMERCIAL VEHICLES SOLD	5,394

Volume 46 – Aviation and Defense

TOPIC	METRIC	2024 DATA
ENERGY MANAGEMENT	Total energy consumption (GJ)	271,833
	Share of grid electricity	38%
	Share of renewable energy consumption	1%
FUEL ECONOMY AND LIFE CYCLE EMISSIONS	Revenue from alternative energy products	0

OPERATIONAL METRIC	2024
LAND VEHICLES MANUFACTURED	557
NUMBER OF EMPLOYEES	3,772

Shape the future with confidence

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LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED UNDER THE TURKISH SUSTAINABILITY REPORTING STANDARDS OF OTOKAR OTOMOTIV VE SAVUNMA SANAYI A.Ş. AND ITS SUBSIDIARIES

To the General Assembly of Otokar Otomotiv ve Savunma Sanayi A.Ş.
We have been assigned to perform limited assurance engagement on the information ("Sustainability Information") presented in accordance with the Turkiye Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Turkiye Sustainability Reporting Standards 2 "Climate-Related Disclosures" of Otokar Otomotiv ve Savunma Sanayi A.Ş. and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2024.

Our assurance engagement does not include the information related to prior periods and other information associated with Sustainability Information (including any images, audio files, website links or embedded videos) .

Limited Assurance Conclusion
Based on the procedures performed and the evidence obtained, as summarized under the section "Summary of the Work we Performed as the Basis for our Assurance Conclusion", nothing has come to our attention that causes us to believe that Group's Sustainability Information for the year ending December 31, 2024, has not been prepared in accordance with the Turkiye Sustainability Reporting Standards ("TSRS"), as published by the Public Oversight Accounting and Auditing Standards Authority of Turkiye ("POA") in the Official Gazette dated December 29, 2023 and numbered 32414(M). We do not provide any assurance conclusion regarding the information related to prior periods and any other information associated with the Sustainability Information (including any images, audio files, website links or embedded videos).

Inherent Limitations in the Preparation of Sustainability Information
The Sustainability Information is subject to inherent uncertainties due to lack of scientific and economic information. The inadequacy of scientific data leads to uncertainties in the calculation of greenhouse gas emissions. Additionally, due to the lack of data regarding the likelihood, frequency, and impacts of potential physical and transition climate risks, the Sustainability Information is subject to uncertainties related to climate-related scenarios.

Responsibilities of Management and Those Charged with Governance Regarding Sustainability Information
The Group's Management is responsible for:
- Preparing the Sustainability Information in accordance with the principles of Turkiye Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- Additionally, the Group Management is responsible for selecting and implementing appropriate sustainability reporting methodologies as well as making reasonable assumptions and suitable estimates.

Those Charged with Governance is responsible for overseeing the Group's sustainability reporting process.

Responsibilities of the Independent Auditor Regarding the Limited Assurance of Sustainability Information
We are responsible for the following:
- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Group Management.

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED UNDER THE TURKISH SUSTAINABILITY REPORTING STANDARDS OF OTOKAR OTOMOTIV VE SAVUNMA SANAYI A.Ş. AND ITS SUBSIDIARIES

Since we are responsible for providing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation process of the Sustainability Information in order to ensure that our independence is not compromised.

Professional Standards Applied
We performed a limited assurance engagement in accordance with the Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements "3410 Assurance Engagements on Greenhouse Gas Statements", issued by POA.

Independence and Quality Control
We have complied with the independence and other ethical requirements of the Code of Ethics for Independent Auditors, issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 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 work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk management specialists. We have used the work of our expert team to assess the reliability of the information and assumptions related to the Group's climate and sustainability-related risks and opportunities. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion
We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information,

- Face-to-face and online interviews were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period.
- The Group's internal documentation was used to review and assess the sustainability related information.
- The disclosure and presentation of sustainability-related information have been evaluated.
- Through inquiries, we obtained an understanding of Group's control environment and information systems relevant to the preparation of the Sustainability Information. However, we did not evaluate the design of particular control activities, we did not obtain evidence about their implementation or we did not test their operating effectiveness.
- The appropriateness and consistency of the Group's estimation development methods were evaluated. However our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Didem Tuşel Özdoğan, SMMM
Partner

29 July 2025
İstanbul, Türkiye

Otokar

Otokar Otomotiv ve Savunma Sanayi A.Ş.

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Otokar