Appendix-1: Temsa Skoda Sabancı Ulaşım Araçları A.Ş. 2023 Sustainability Report – Reporting Principles

These reporting principles ('Principles') provide information on the methodologies for the preparation, calculation and reporting of data for the indicators of Temsa Skoda Sabancı Ulaşım Araçları A.Ş. ('Temsa', 'the Company') within the scope of limited assurance in Temsa 2023 Sustainability Report ('Sustainability Report 2023').

These indicators include social indicators, environmental indicators and economic indicators. It is the responsibility of the Company's management to ensure that appropriate procedures are in place to prepare these indicators, in all material respects, in line with the Principles.

The information in these Principles covers the FY 23 financial year ending 31 December 2023 (1 January 2023 - 31 December 2023) and only the relevant operations in Turkey that are the responsibility of the Company as detailed in the "Key Definitions and Scope of Reporting" section and excludes information about its subsidiaries and subcontractors.

General Reporting Principles

The following principles have been taken into account in the preparation of this guidance document:

• In the preparation of information - to emphasise the basic principles of relevance and reliability of information to users of information,

• In the reporting of information - emphasising the principles of comparability / consistency of information with other data, including the previous year, and the principles of understandability / transparency providing clarity to users.

Key Definitions and Scope of Reporting

For the purpose of this report, the Company makes the following definitions:

Type	Indicator	Scope
Social Indicators	**Occupational Health and Safety**	
	Number of Accidents (#)	Represents the total number of accidents that occurred during a work-related activity of employees during the reporting period and monitored through notifications made to the Social Security Institution and internal incident reports signed by the OHS Officer and company doctors.
	Number of Fatal Incidents (#)	Represents the total number of accidents resulting in death during the reporting period, which occurred during a work-related activity of employees within the scope of the Occupational Health and Safety Law No. 6331 and which are monitored through notifications made to the Social Security Institution.
	Number of Occupational Diseases (#)	Represents the total number of occupational diseases including temporary or permanent illnesses and physical or mental disabilities arising from the nature of the work or the working conditions of the enterprise within the scope of the Occupational Health and Safety Law No. 6331 during the reporting period. These are monitored through notifications made to the Social Security Institution.
	Injury-Related Absenteeism (day)	Represent the total amount of days lots caused by the accidents during a work-related activity of employees during the reporting period.

	Total Working Hours (hour)	Represents the total working hours of employees monitored by the Company's Human Resources Platform during the reporting period.
	Lost Workday Rate (%)	Represents the ratio obtained by dividing the total working days lost due to occupational accidents by the total working hours during the reporting period.
	Training Hours Provided to Company Employees (person × hour)	Represents the total hours of OHS trainings provided to the company employees during the reporting period and monitored and tracked through the company's Human Resources training tracking platform (HRWEB).
	Total Number of Employees	
	Number of Employees by Gender (#)	Represents the total number of male and female employees monitored through Human Resources and reported to the Social Security Institution during the reporting period. Interns are not included in the total number of employees.
	Distribution Of Female Employees	
	Percentage of Female Employees (%)	Represents the ratio of female employees in the total number of employees who are monitored by the Company's Human Resources data platform and for whom an Employment Entry Declaration is made to the Social Security Institution during the reporting period.
	Number Of Managers by Management Level (#)	Represents the number of male and female employees in senior, middle-level, and first-level managerial roles who are monitored by the Company's Human Resources data platform and for whom an Employment Entry Declaration is made to the Social Security Institution during the reporting period.
	Distribution of Female Managers (%)	Represents the ratio of female employees in senior, middle-level, and first-level managerial roles to the total number of employees in senior, middle, and first-level managerial roles who are monitored by the Company's Human Resources data platform and for whom an Employment Entry Declaration is made to the Social Security Institution during the reporting period.
	Number of Managers in Revenue Generating Roles (#)	Represents the breakdown of the Company's employees in income-generating managerial roles by gender in the reporting period.
	Distribution of Female Managers in Revenue Generating Roles (%)	Represents the ratio of the number of people working in the Sales and Marketing departments, which are defined as income generating positions and monitored by the Company's Human Resources data platform (HRWEB), to the total number of people working in these positions during the reporting period.
	Number of Employees in STEM Roles (#)	Represents the total number of employees working in STEM roles of the Company in the reporting period by gender breakdown. Employees in STEM roles include employees working in the IT team and engineering graduates.
	Distribution of Female Employees in STEM Roles (%) (%)	Represents the ratio of the number of female employees working in STEM (Science, Technology, Engineering, Mathematics) roles to the total number of employees working in STEM roles monitored by the Company's Human Resources during the reporting period.

	Number of Employees Taking Maternity Leave (#)	Represents the number of employees who returned to work by taking maternity leave within the periods specified in the Labour Law No. 4857 and the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave.
	Number of Employees Taking Paternal Leave (#)	Represents the number of male employees who took paternal leave during the reporting period within the periods specified in the regulations and followed up by the Company Human Resources.
	Number of Employees Returning to Work After the End of Maternity/Parental Leave (#)	Represents the number of employees who returned to work after the end of the maternity/paternity leave of the Company within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave and within the scope of the Labour Law No. 4857, within the periods specified in the regulation, and monitored through the Human Resources platform.
	Percentage of Employees Returning to Work After Maternity Leave (%)	Represents the ratio of the number of employees who went on maternity leave to the number of employees who did not return to work after going on maternity leave during the reporting period.
	Trainings	
	Total Training Hours by Gender, Age and Managerial Levels (hour)	Represents the total number of training hours given to employees during the reporting period, broken breakdown by gender (female, male), age (under 30, between 30-50, over 50), management level (primary, middle, senior) and training categories (ethical principles, equality, equal opportunities, inclusion, sustainability and environment), which are monitored and recorded on the Company's HRWEB training platform.
	Training Hours by Category (hour)	Represents the breakdown of total training hours provided to Company employees during the reporting period, monitored through the Company's Human Resources Training Tracking Platform, by training type (Sustainability and Environment, Ethical Principles).
	Total Training Cost (TL)	Represents the expenditures recognised in the Company's accounting system as training expenditures with invoices during the reporting period.
	Average Training Cost per Employee (TL)	Represents the ratio of the total cost of the trainings provided during the reporting period to the total number of employees.
	Recruitment	
	Number of Employees Hired (by Age, Gender and Manager Level) (#)	Represents the total number of employees hired during the reporting period, categorized by gender (female, male), age (under 30, 30-50, over 50), and managerial level (first, middle, senior), who are monitored through the Company's Human Resources data platform and reported to the Social Security Institution with an Employment Entry Declaration during the reporting year.
	Leave of Employment	
	Number Of Leaving Employees by Gender, Age and	Represents the total number of white-collar employees who quit their jobs during the reporting period, which was declared to the Social Security Institution of the

	Management Level (#)	Company in the reporting year through the Resignation Declaration, monitored through the Human Resources data platform, and reported in terms of gender (female, male), age (under 30, between 30-50, over 50), management level (first, middle, senior).
	Employee Turnover Rate by Gender, Age and Managerial Level (%)	Represents the ratio of the number of employees who left their jobs to the total number of employees in the reporting period, broken down by gender (female, male), age (under 30, between 30-50, over 50) and management level (primary, middle, senior).
	Number of People Reached by Inclusion Programs (#)	Represents the number of vulnerable groups (65+ citizens, youth, children, women) reached within the scope of the inclusion programme during the reporting period.
Environmental Indicators	**Energy Management**	
	Total Energy Consumption (MWh)	Represents the total consumption of renewable and non-renewable energy by the Company during the reporting period. This includes consumption of natural gas, diesel, petrol, CNG and electricity.
	Natural Gas Consumption (m^3, MWh)	Represents the total natural gas (volume - m^3) consumption (12 Months) used for heating, cooking and other business activities requiring natural gas at the relevant location of the Company, which is monitored through invoices provided by service companies during the reporting periods.
	Diesel Consumption (lt, MWh)	Represents the total diesel consumption tracked through invoices received from service providers for the Company's road vehicles and the diesel consumption tracked through the filling receipt for the generator, the Company's off-road vehicles and in-process diesel consumption at the relevant location of the Company during the reporting period.
	Gasoline Consumption (lt, MWh)	Represents the total gasoline consumption (volume - litres) monitored through invoices received from service provider companies for company-owned vehicles at the relevant locations of the Company during the reporting period.
	CNG (m^3, MWh)	Represents the total compressed natural gas consumption (volume - m^3) used by the R&D Department for CNG fuelled bus prototypes during the reporting period and tracked by service providers through invoices.
	Electricity Consumption (MWh)	Represents the total electricity consumption used for air conditioning, lighting, electrical equipment usage and other business operations requiring electricity in the relevant locations of the Company during the reporting period, which is monitored through invoices obtained from service providers and controlled through financial reporting systems. It also includes the electricity generated, which is monitored with YEK-G certificates obtained from service provider companies.
	Renewable Energy Consumption (MWh)	Represents the total renewable energy consumed by the Company during the reporting period (MWh).

Renewable Energy Production (MWh)	Represents the total renewable energy generated by rooftop solar panels during the reporting period, as tracked by the Company's Energy Management Reports and Agreements with the service provider.
Purchased Renewable Energy (MWh)	Represents the total purchased renewable energy monitored by financial systems and YEK-G certificates through service providers during the reporting period.
Annual Total Energy Savings (KWh, TL)	Represents the KWh energy equivalent of the natural gas, electricity and diesel savings achieved through the energy saving projects realised by the Company during the reporting period and the amount of financial benefit (TL) provided from these energy savings.
Renewable Energy Ratio (%) (Share of Renewable Energy Consumption in Total Energy Consumption)	Represents the ratio of the amount of electricity purchased by the Company, certified by I-REC and YEK-G certificates, and the amount of electricity produced and consumed by the Company with solar energy (SPP) panels to the total amount of electricity purchased and produced and consumed during the reporting period.
Purchased Heat/Steam/Refrigerant Gas (kg)	Represents the amount of R22 and other gases such as R407C, R134A, R410A and R404A purchased by the Company during the reporting period and the amount of refrigerant gas consumed for cooling purposes. Purchased gases are tracked by service providers through invoices and maintenance/repair forms.
Greenhouse Gas Emissions	
Scope 1 Greenhouse Gas Emissions (tCO_2e)	Represents the greenhouse gas emissions arising from the consumption of natural gas, diesel, gasoline, cooling gases, CNG consumption and the use of fire extinguishers at the Company's Adana facility during the reporting period. The Company calculates its greenhouse gas emissions in accordance with the standard 'TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Establishment Level Guidance and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions'. Scope 1 greenhouse gas is reported in tCO_2e on a consolidated basis.
Scope 2 Greenhouse Gas Emissions (Location Based) (tCO_2e)	Represents greenhouse gas emissions arising from the use of purchased electricity at the Company's Adana facility during the reporting period. Scope 2 (location based) greenhouse gas is reported in tCO_2e on a consolidated basis. The Company calculates greenhouse gas emissions in accordance with the standard 'TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Establishment Level Guidance and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions'. Scope 2 emissions are disclosed on location basis.
Scope 2 Greenhouse Gas Emissions (Market Based) (tCO_2e)	Represents greenhouse gas emissions from electricity purchased at the Adana facility during the reporting period, which is not certified with a renewable energy certificate (I-REC, YEK-G, etc.) or obtained from renewable sources. The Company calculates greenhouse gas emissions in accordance with the standard 'TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Specification with Organisation Level Guidance for the Calculation and Reporting of Greenhouse Gas

		Emissions'. Scope 2 (market-based) greenhouse gas is reported in tCO_2e on a consolidated basis.
	Water Management	
	Non-Renewable Groundwater (Well) Withdrawal (m^3)	Represents the well water withdrawal (in volume - m^3) at the relevant locations during the reporting period, which is monitored by the invoices of the Company's service providers.
	Municipal Water Withdrawal (m^3)	Represents the amount of municipal water consumed by the Company during the reporting period, which is monitored by the invoices of the Company's service providers.
	Total Water Withdrawal (m^3)	Represents the Company's total amount of well water and municipal water in the reporting period.
	Water Discharge (m^3)	Represents the amount of wastewater discharged during the reporting period, which is monitored through meters and generated from the consumption of grid water and well water used in processes and kitchens.
	Water Usage (m^3) (Total Water Withdrawal – Water Discharge)	Represents the total water consumption amount calculated by subtracting the total discharged water amount from the total water withdrawn by the Company during the reporting period.
	Recycled and Reused Water (m^3)	Represents the amount of water recovered and used by the Company from process and domestic wastewater during the reporting period, which is monitored by counters and treatment system monitoring forms.
	Total Amount of Waste by Type	
	Total Non-Hazardous Waste (ton)	Represents the amount of non-hazardous waste generated by the Company during the reporting period and reported to the Ministry of Environment, Urbanisation and Climate Change through waste declaration forms.
	Reused/Recycled Non-Hazardous Waste (ton)	Represents the amount of recycled and reused non-hazardous waste identified with the code 'R' in the reporting period and monitored through waste declaration forms declared to the Ministry of Environment, Urbanisation and Climate Change, and given to 3rd party service providers licensed by the Ministry for recycling.
	Hazardous Waste (ton)	Represents the total amount of hazardous waste arising from the company's operations during the reporting period, which is monitored through MOTAT systems and reported to the Ministry of Environment, Urbanisation and Climate Change through waste declaration forms.
	Hazardous Waste Recovered for Energy Purposes (ton)	Represents the total amount of hazardous waste received by licensed service providers for incineration for energy recovery purposes, which is monitored through waste declaration forms submitted to the Ministry of Environment, Urbanisation and Climate Change during the reporting period.

	Disposed Hazardous Waste (ton)	Represents the total amount of hazardous waste received by licensed service providers for incineration other than for energy recovery purposes, which is monitored through waste declaration forms submitted to the Ministry of Environment, Urbanisation and Climate Change during the reporting period.
	Reused/Recycled Hazardous Waste (ton)	Represents the amount of recycled and reused hazardous waste identified with the code 'R' in the reporting period and monitored through waste declaration forms declared to the Ministry of Environment, Urbanisation and Climate Change, and given to 3rd party service providers licensed by the Ministry for recycling.
	Amount of Recycled Waste (ton)	Represents the total amount of recycled and reused waste under the 'R' code specified in the guidelines published by the Ministry of Environment, Urbanisation and Climate Change during the reporting period.
	Reused/Recycled Waste Rate (%)	Represents the ratio of the amount of recycled waste to the total amount of hazardous and non-hazardous waste in the reporting period.
	Total Plastic Consumption (ton)	Represents the amount of plastic waste generated by the company during the reporting period and reported to the Ministry of Environment, Urbanisation and Climate Change in the guideline published by the Ministry of Environment, Urbanisation and Climate Change, which is monitored and reported through waste declaration forms reported to the Ministry of Environment, Urbanisation and Climate Change, as items such as plastic bottles, bags and plastic packaging.
Economic Indicators	**Sustainable Business Model**	
	Number Of Products and Services Contributing to Sustainability (#)	Represents the number of products and services provided by the Company during the reporting period that deliver environmental and social benefits, categorized as mitigation (products that directly reduce resource usage or carbon emissions and include activities universally recognized as sustainable), transition (products and services not entirely eco-friendly by nature but considered a step toward more sustainable technologies), and enabling (products that do not directly reduce resource usage or carbon emissions but facilitate the adoption of technologies that do), as well as those creating positive social impact.
	Total Revenue from Sustainable Products and Services (TL)	Represents the income generated from products and services offered by the Company during the reporting period that provide environmental and social benefits, transition and facilitation.

	Ratio of Revenue from Sustainable Products and Services in Total Revenue (%)	Represents the ratio of revenue generated from the sale of the Company's sustainable products to the total revenue in the Company's 2023 financial statements during the reporting period
	Total R&D and Innovation Investments (TL)	Represents the Company's R&D and innovation investments realised during the reporting period.
	Sustainability-Oriented R&D and Innovation Investments (TL)	Represents sustainability-oriented R&D and innovation investments made by the Company during the reporting period. Reported in TL on a consolidated basis.
	Ratio of Sustainability-Oriented R&D and Innovation Investments (%)	Represents the ratio of sustainability-oriented R&D and innovation investments included in the Company's investment budget to total revenues realised during the reporting period.
	Environmental Investments and Expenditures	
	Environmental Investments (TL)	Represents the investments made by the Company in the reporting period in the nature of mitigation (products and activities that directly reduce carbon emissions), transition (products that are not inherently sustainable but are produced with sustainable methods) and facilitation (products that do not contribute directly to carbon emission reduction but have the effect of accelerating the product to become sustainable).
	Environmental Expenditures (TL)	Represents the Company's legally mandatory expenditures and non-legally mandatory expenditures that are considered as environmental expenditures such as emission measurement, waste disposal, etc. during the reporting period.
	Investments in Corporate Social Responsibility (TL)	Represents the amount of social responsibility project investment made in the reporting period in the Hatay Incubation Centre programme, where the Company operates with inclusion programmes.

Data Preparation

Social Indicators

Occupational Health and Safety

The number of incidents and fatalities are controlled by Social Security Institution notifications. During the reporting period, 16 incidents occurred, no occupational disease cases and no fatalities were reported.

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

-Lost Workday Rate (%)

Formula:

Lost Workday Rate = Injury-Related Absenteeism (day) / Total Working Hours * 200,000

Female Employee Distribution Data

Total number of employees refers to the total number of employees employed by the companies as of the end of the reporting year and specified based on the information contained in the human resources systems as of 31 December 2023.

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

Formula:

Female Employee Ratio = Number of Female Employees / Total Number of Employees

Ratio of First, Middle and Senior Level Female Managers = Number of First, Middle and Senior Level Female Managers / Total Number of First, Middle and Senior Level Managers

Ratio of Female Employees in STEM (IT, engineering, etc.) Roles = Number of Female Employees in STEM (IT, engineering, etc.) Roles / Total Number of Employees in STEM (IT, engineering, etc.) Roles

Ratio of Female Managers in Income Generating Roles = Number of Female Managers in Income Generating Roles / Total Number of Managers in Income Generating Roles

Return to Work Rate after Maternity Leave = Number of Employees on Maternity Leave / Number of Employees Returning from Maternity Leave

Total Employee Turnover Rate

Turnover rates by gender (%):

- Number of female employees who quit / total number of female employees who quit

- Number of male leavers / total number of leavers

Turnover rates by age (%):

- Number of employees under the age of 30 who quit / total number of employees who quit

- Number of separated employees aged 30-50 / total number of separated employees

- Number of separated employees over 50 years of age / total number of separated employees

Turnover rates by management level (%):

- Number of departing managers (N-1) / total number of departing employees

- Number of departing managers (N-2) / total number of departing employees

- Number of departing managers (N-3) / total number of departing employees

Trainings:

Represents the trainings provided to employees during the reporting period. Total training hours are divided into four sub-categories. By gender (men and women), by age (under 30, 30-50, over 50), by type of training (ethics, diversity and inclusion, sustainability and environment, and anti-corruption and anti-bribery).

Total cost of training refers to the total cost of all training provided by companies to their employees.

Formula:

Training cost per employee = Total training cost / Total number of employees

Number of People Reached by Inclusion Programmes in the Reporting Period

In Temsa's recruitment process, young people who benefit from university, vocational high school, summer internship programmes and workplace training are among the vulnerable groups reached in 2023.

Environmental Indicators

Energy Consumption by Fuel Type

Total Energy Consumption (MWh)

Natural gas, diesel, petrol, CNG and electricity are reported. Data is obtained from service providers' meters, invoices, receipts and maintenance and repair forms.

The company uses IPCC (Intergovernmental Panel on Climate Change) 2006 Net Calorific Values (TJ/Gg) and DEFRA (Department for Environment Food, Rural Affairs) 2023 Density values. In addition, since CNG is purchased with natural gas density, the density value for energy conversion is taken from the MSDS (Material Safety Data Sheet) provided by the service providers. 1501 m3 CNG consumption has standard natural gas density and volume value is shared according to standard natural gas density.

Share of Renewable Energy Consumption in Total Energy Consumption

Renewable energy consumption refers to the electricity consumption from renewable energy by the Company.

It includes the sum of electricity consumption certified with I-REC (Renewable Energy Certificate), YEK-G (Renewable Energy Resource Guarantee System) and solar energy production by the organisation.

Renewable energy generation refers to the total electricity generated by the Company from renewable energy sources. This is followed by the reports received through the system.

Formula:

Share of Renewable Energy Consumption in Total Energy Consumption (%) = (Renewable Energy Consumption / Total Energy Consumption) * 100

Scope 1 – Scope 2 Emissions (tCO_2e)

Scope 1 and Scope 2 emissions were calculated in accordance with ISO 14064-1 with the operational control principle within the framework of the ‘Greenhouse Gas Protocol’: Corporate Accounting and Reporting Standard’ with the operational control principle.

CO_2 equivalent factors consisting of CO_2, CH_4, N_2O and CO_2 equivalent emission factors were used in the calculations. The emission factors used are detailed in the table below. Global Warming Potential (GWP) coefficients are taken from the Intergovernmental Panel on Climate Change (IPCC) 5th Assessment Report and Greenhouse Gas Protocol (https://www.gov.uk/government/publications/greenhouse-gasreporting-conversion-factors-2020) and the tonnes of CO_2-e value obtained is multiplied by the appropriate coefficients.

Emission Factors - Scope 1	**kgCO_2e per CO_2**	**kgCO_2e per CH_4**	**kgCO2e per N_2O**	**Total kgCO_2e.**	**Reference**
Natural Gas (m^3)	2.04981	0.00307	0.00095	2.05383	DEFRA 2023, Natural Gas (%100 Mineral Blend)
Diesel (Generator) (litre)	2.626	0.00029	0.03308	2.65937	DEFRA 2023, Diesel (%100 Mineral Diesel)
Diesel (Company Vehicles) (litre)	2.626	0.00029	0.03308	2.65937	DEFRA 2023, Diesel (%100 Mineral Diesel)
Diesel (Used in Sold Busses) (litre)	2.626	0.00029	0.03308	2.65937	DEFRA 2023, Diesel (%100 Mineral Diesel)
Diesel (Off-Road) (litre)	2.626	0.00029	0.03308	2.65937	DEFRA 2023, Diesel (%100 Mineral Diesel)
CNG* (m^3)	2.04981	0.00307	0.00095	2.05383	DEFRA 2023, Natural Gas (%100 Mineral Blend)
LPG (ton)	2,935.18	2.55	1.63	2.93936	DEFRA 2023, LPG
Gasoline (litre)	2.33086	0.00820	0.00597	2.34503	DEFRA 2023, Petrol (%100 Mineral Blend)
Emission Factors – Scope 2	**kgCO_2e per CO_2**	**kgCO_2e per CH_4**	**kgCO2e per N_2O**	**Total kgCO_2e.**	**Reference**
Purchased Electricity (MWh)	IEA 2022, Republic of Türkiye, 2020 Total Electricity Emission Factor				

Global Warming Potential	**Total kgCO_2e.**	**Reference**
R410a (kg)	1,923.5	DEFRA 2023

R22 (HCFC-22) (kg)	1,760	DEFRA 2023
R407c	1,624.21	DEFRA 2023
R404a	3,942.8	DEFRA 2023
R134a	1,300	DEFRA 2023

Water Usage

Water withdrawals and discharges are monitored through inlet and outlet meters located at the facilities, monthly activity reports and payment invoices from the Ministry of Environment, Urbanisation and Climate Change of the Republic of Turkey. Water consumption consists of the amount of water withdrawn from nature by the facilities and not discharged directly (into the product, evaporation or seepage).

Formula:

Water Usage (m^3) = Water Withdrawal by Source - Total Water Discharge

Waste

Hazardous wastes are defined as wastes containing substances that are dangerous for human health and the environment and have the potential to cause harm, while non-hazardous wastes are defined as wastes that do not cause any harm to human health and the environment. Hazardous wastes are defined as wastes containing substances that are dangerous for human health and the environment and have the potential to cause harm, while non-hazardous wastes are defined as wastes that do not cause any harm to human health and the environment (Ministry of Environment, Urbanisation and Climate Change, Waste Management Regulation - Article 4). According to disposal methods, the total amount of hazardous and non-hazardous wastes sent to landfill, recycled on/off-site, incinerated for energy recovery and incinerated without energy recovery is reported.

The total amount of hazardous and non-hazardous waste is monitored through official documents such as Waste Declaration Forms, Mass Balance System (MOTAT, KDS etc.) and disposal delivery notes/records etc. of the Republic of Turkey Ministry of Environment, Urbanisation and Climate Change.

The amount of recycled waste means the amount of waste that goes to the landfill/solid waste site of the Group companies or is recycled, recovered for energy purposes and reused by itself or by another organisation. Recycled waste includes waste that is disposed of as highlighted in code "R" in Annex-1: Waste Code Determination Hierarchy and Waste Code Descriptions of the Waste Management Regulation of the Ministry of Environment, Urbanisation and Climate Change of the Republic of Turkey.

Formula:

Amount of Recycled Waste = Waste Recycled/Reused at the Plant + Waste Recycled/Reused by a Third Party + Disposed to Landfill + Incinerated with Energy Recovery

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

Economic Indicators

The following definitions and formulae were used in the calculation of economic indicators.

Sustainable Business Model

Products and services defined as sustainable are as follows;

- Products and services that provide benefits directly related to the reduction of environmental resources/carbon emissions (mitigation),
- Products and services related to the reduction of environmental resource use/carbon emissions in unsustainable technologies and activities (transition),
- Products and services that are not directly considered as source/carbon emission reduction activities but facilitate the diffusion of relevant technologies (enablers)
- Products and services that create positive social impact.

Revenues from products and services are obtained through product-based sales lists, and total revenues from related product types are reported within the scope of this indicator. Within the scope of the ratio of SKA related product and service revenues to total revenues, total TL revenues refer to the total revenues stated in the annual reports published as of 31 December 2023 or in the financial reports subject to independent assurance.

The total amount reported within the scope of R&D and innovation investments consists of investments made within the approved budget of the Company. The amounts reported within the scope of R&D and innovation investments refer to the total revenue figures stated in the annual reports of the Companies published as of 31 December 2023 or in the financial reports subject to independent assurance. The total amount reported within the scope of sustainability-focused R&D and innovation investment represents the sustainability-focused investments included in the Company's approved R&D and innovation investment budget.

The number of sustainable products consists of 12 products considered as reduction products. The products considered within the scope of reduction products are sustainable electric vehicle models produced by the Company and tracked by the relevant product catalogues and sales invoices. The balance reported within the scope of R&D and innovation investments includes R&D projects capitalised in fiscal year 2023. Temsa's total revenue is derived from internal financial reports.

Formula:

Ratio of SDG-related Product and Service Revenue to Total Revenue = SDG-related Product and Service Revenue / Total Revenue
Ratio of SDG-related R&D and Innovation Investment to Total Revenue (%) = (SDG-related R&D and Innovation Investment / Total Revenue) * 100

Savings and Mitigation Based on Environmental Investments

Within the scope of financial savings and environmental and social benefit indicators achieved through sustainable investments and/or activities, the Company's electricity, natural gas and diesel CO_2 savings in tonnes and TL are reported.

Environmental Investments and Expenditures

Environmental expenditures that are not legally mandatory are process improvements, consultancy and technical assistance service purchases; while legally mandatory environmental expenditures are expenditures such as waste treatment, emission measurement costs and GEKAP expenditures. The total

amount reported in these indicators consists of expenditures made within the approved budget of the Company.

Restatement

Measuring and reporting validated data inevitably involves a degree of estimation. Where there is a change of more than 5% in the data at company level, a re-statement of opinion may be considered.