



**Otokar**

An aerial photograph of a dense forest with a road winding through it. The trees are mostly green, with some showing yellow and orange hues, suggesting autumn. The road is dark asphalt with white dashed lines. A teal-colored rounded rectangle is overlaid on the left side of the image, containing the text 'SUSTAINABILITY REPORT 2022'.

# SUSTAINABILITY REPORT **2022**



# About the Report

Otokar left behind a successful period as its activities resumed normalcy thanks to the measures implemented in 2022, which was a year of significant operational and financial challenges. We are pleased to present the tenth edition of our Sustainability Report, which provides an overview of the social, economic and environmental impact of our operations and information on our performance in these areas.

The sustainability report of Otokar Otomotiv ve Savunma Sanayi A.Ş. for the period of January 1 - December 31, 2022 has been prepared in accordance with the GRI Standards. The report contains data on Otokar's activities in Türkiye during the reporting period. The material topics identified in line with the principles proposed in the GRI Standards constitute the key content of this report, which also features disclosures that refer to the progress made toward UN Global Compact and UN Women's Empowerment Principles. Data related to Otokar subsidiaries is only provided in the financial indicators, while information on the performance of those companies is not included within the scope of the report.

Otokar 2022 Sustainability Report and the reports of the previous years are provided on the corporate website (<https://www.otokar.com.tr/en>). For all your questions, feedback and suggestions about the report, please write to [kyl@otokar.com.tr](mailto:kyl@otokar.com.tr) or submit them via the website.



## Message from the General Manager



### Dear Stakeholders,

Following the completion of the reporting period, we deeply regretted the Soon after we concluded the reporting period, Türkiye was struck with devastating earthquakes, with Kahramanmaraş at the epicenter, in early February 2023, destroying several cities in the region and leaving us all in deep grief. Our hearts go out to the mourning families who have lost their dear ones, and we extend our wishes for a speedy recovery to the injured. May those who have passed rest in peace.

In the initial hours following the earthquake, we became actively involved in the search and rescue operations through the the crisis center established within the Koç Group and in coordination with the Disaster and Emergency Management Authority (AFAD). Our dedicated Search and Rescue Team, ODAK, was promptly deployed to the region and successfully rescued four people in Gaziantep and Hatay. Furthermore, we swiftly dispatched essential supplies, including shelter, food, medical provisions and power generators, to address the most pressing needs of the affected region. Simultaneously, we made sure that the service vehicles, buses, and trucks in the earthquake area were maintained and repaired so that they could be operated seamlessly. Recognizing the need for hot meal distribution and mobile soup kitchens in such dire circumstances, we quickly customized a bus and dispatched it to region. We remain committed to supporting the recovery efforts to help life gain some normalcy.

Otokar, founded with the mission of meeting Türkiye's mobility requirements using domestic resources, recorded a remarkable year in 2022, coinciding with our 59th anniversary. In the face of operational and financial challenges, we still captured an outstanding growth of 113% in revenues, reaching TL 9.6 billion. In the reporting period, we posted TL 1 billion 139 million in net profit, and our export revenues rose to USD 403.5 million. As a result, exports accounted for 73% of our total revenues.

## Message from the General Manager

During the reporting period, we further bolstered Otokar's identity as a pioneer in the development of original vehicles utilizing our own know-how and engineering capabilities with domestic capital. In 2022, our R&D investments increased by a 91% year-on-year, amounting to TL 574 million. As a result, Otokar's cumulative R&D expenditures over the last decade reached TL 2.1 billion, corresponding to an average of 7% of total revenues.

Throughout the year, we remained committed to advancing in accordance with the roadmap we have envisioned in the Otokar Sustainability Model. Aligning with Koç Group's 2050 net zero ambitions, we intensified our efforts across our operational processes and product categories. The year 2022 marked a significant milestone in our endeavors to develop alternative fuel vehicles as we introduced the electric variant of our Centro minibuses, designed for short-distance public transportation. Furthermore, we expanded our diverse product range with e-Kent, an 18-meter articulated electric variant of the globally popular Kent bus family used for public transportation in various countries.

Meanwhile, we also accelerated our efforts to integrate renewable energy sources into our operational processes. In 2022, we started to use solar energy generated at our Sakarya Plant. Our plans include the commissioning of a new solar power plant, in which we have already invested. Through a series of efficiency activities conducted during this period, we achieved outstanding results, including 14,170 GJ of energy savings and a reduction of 695 tons of greenhouse gas (GHG) emissions. As a result, we decreased GHG emissions per unit to 1.57 tons of CO<sub>2</sub>e/unit, a level even lower than that of 2020. Even as production volumes increased, we reduced water consumption by 21% year-on-year. Looking ahead, we are determined to maintain the momentum we have captured to reduce our environmental footprint in our production processes.

The year 2022 was also marked with our accelerated efforts in alignment with our material social sustainability issues. Foremost among these was the execution of our

occupational health and safety program, without any compromises. One of the key areas of progress during the reporting period was our dedication to fostering inclusion, most notably to the advancement of female employment within our organization. In line with this commitment, we developed our corporate manifesto, highlighting our core values of diversity, equality, and inclusion, and launched initiatives to raise awareness in these areas. Moreover, we established a dedicated feedback mechanism, providing our internal stakeholders with a system to share their opinions and suggestions on matters related to gender equality, inclusion, and diversity. Furthermore, we significantly enhanced the indicators we monitor to obtain a more in-depth view of our corporate performance in these areas compared to the previous periods. These advancements are presented in this report for our stakeholders to review.

We recognize that corporate performance in any area can only be enhanced if we have a highly qualified workforce. We also believe that our employees are our most important asset as a core value of our group and continuously invest in their professional and personal development. To this end, we doubled the allocated budget for training programs in the past year and delivered more than 95,000 hours of training aimed at employee growth. And these efforts were crowned with our recognition as one of Türkiye's Best Employers in the 2022 Great Place to Work survey.

As our journey of creating sustainable value for our stakeholders continues with firm steps through a business model designed around efficiency and profitability while respecting the environment and people, we keep up with the latest global trends and swiftly adjust our operational practices. I wish to express our heartfelt gratitude to all our esteemed stakeholders, starting with our dedicated employees, for their unwavering support in helping us achieve our goals and making 2022 such a successful year.

**Serdar Görgüç**  
General Manager



# Milestones

## 1960s

- Company incorporated
- Production of Magirus Deutz buses under license
- Production of Türkiye's first intercity bus

## 1970s

- Production of minibuses for public transportation
- Joined Koç Group

## 1980s

- Entered the defense industry
- Production of 4x4 tactical vehicles under Land Rover license

## 1990s

- Production of Otokar-designed military armored vehicles
- Exported Türkiye's first tactical armored vehicle
- IPO
- Plant relocated to Sakarya

## 2000s

- Small- and medium-size bus production
- Merger with İstanbul Fruehauf
- Research and development consolidated at the R&D Center
- Appointed prime contractor for Altay Main Battle Tank Project Phase I
- Production of Türkiye's first hybrid bus



## 2010s

- Launch of the multi-wheeled armored vehicles range
- Otokar Europe incorporated in France
- Production of Türkiye's first electric bus
- Production of public transportation buses
- Production of Otokar Atlas light truck
- Production of Türkiye's first tracked armored vehicle
- Listed in the BIST Sustainability Index
- Introduction of smart bus
- Otokar Land Systems incorporated in United Arab Emirates
- Qualification of Altay main battle tank prototypes and delivery to the Presidency of Defense Industry
- Production of Türkiye's first electric armored vehicle
- Otokar Europe Filiala Bucuresti SRL incorporated in Romania
- Otokar Central Asia incorporated in Kazakhstan

## 2020s

- Production agreement signed between Otokar and IVECO BUS
- First defense industry order from Africa
- Commissioning of the Cataphoresis Line
- Türkiye's Best Employer Award
- Safe production during the pandemic
- "Safe Bus" reducing coronavirus infection risk
- Investment incentive certificate
- Production of the autonomous bus
- Cobra II MRAP added to the product range
- İETT's metrobus tender awarded to Otokar
- 400 8x8 armored vehicles manufactured and delivered to United Arab Emirates

## Otokar in 2022

- Otokar was named the most preferred bus brand of the Turkish market for the 14<sup>th</sup> time.
- The electric bus range was expanded with the addition of two new models: the articulated electric Kent and e-Centro.
- Otokar's new electric buses were promoted in Türkiye and in European countries, including France, Poland, Italy and Germany.
- Otokar received new orders for electric vehicles from Italy, Spain, Romania and Serbia.
- Otokar added the 6.6mt Centro microbus to its product range. The vehicles have already started to serve various cities across Türkiye.
- Otokar delivered 48 Kent CNG and 2 Kent CNG Articulated buses, manufactured to meet the public transportation requirements of Baku, Azerbaijan.
- Otokar won the tender opened by the Municipality of Mogoşoia, Romania to deliver 12 electric e-Kent buses.
- The Articulated Kent C and Otokar's electric bus e-Kent, produced for the BRT lines, were recognized with the BIG SEE Product Design Awards for their design excellence.
- Territo won the Excellent Product Design category at the German Design Awards.
- Otokar started to generate electricity from the solar energy panels installed at the Sakarya plant.
- A new version of the Otokar App, developed for commercial vehicle owners, was released.
- The 12-ton Otokar Atlas 3D was added to the product range.
- Otokar was recognized among Türkiye's top employers at the Great Place to Work 2022 awards ceremony.
- Otokar continued to receive orders from different international markets for armored vehicles and spare parts.



- Otokar took the next step toward improving diversity, equality and inclusion in the company by forming the Spectrum Committee.
- Otokar was recognized with the Export Champions award by the Automotive Exporters Association (OIB) for its outstanding achievements in production and exports in the automotive industry.
- Otokar was recognized with the Grand Prize at the 28<sup>th</sup> Şahabettin Bilgisu Environment Awards, presented by the Kocaeli Chamber of Industry.
- The 400<sup>th</sup> Navigo bus to operate in Tunisia was delivered.
- High volumes of vehicles were exported to the European market as well as other countries, including Azerbaijan, Georgia, Tunisia and Israel.

- Otokar's electric bus e-KENT was exhibited at the MENA Transport Congress & Fair organized by UITP in Dubai.
- In addition to showcasing its electric buses, Otokar also premiered the Centro at Busworld Türkiye 2022 in Istanbul.
- The articulated e-KENT drove the fair visitors between the halls for six days at IAA Transportation 2022 trade fair in Hannover, Germany.
- Boğaziçi University Engineering Club named Otokar as the Defense Industry Company of the Year at the Boğaziçi Business Awards.

## About Otokar

Otokar, established in 1963 to produce the first intercity buses in Türkiye, started its operations with bus and minibus production and joined Koç Group in 1976. As the production of buses and minibuses continued, Otokar also began manufacturing vehicles for defense industry in 1987 and produced Türkiye's first tactical wheeled armored vehicle in the 1990s. Today, as Türkiye's leading manufacturer of commercial vehicles and defense industry products, Otokar produces buses and light trucks in the commercial vehicles segment, and a variety of tactical wheeled and tracked armored vehicles and turret systems for the defense industry at its Arifiye (Sakarya) plant. Otokar has established subsidiaries in four countries – France, Romania, United Arab Emirates, Kazakhstan – to be closer to its clients and to meet their needs and expectations. Otokar's broad product lines are highly sought after both in Türkiye and export markets. Otokar products are currently sold and used in five continents in over 75 countries including Türkiye. Otokar also comes to the forefront with world-class research and development, allocating 7% of its revenues in the last 10 years for R&D activities. Otokar, the best-selling bus brand in the Turkish automotive industry, has also developed the first hybrid bus and first electric bus in Türkiye.



## VISION

Otokar's vision is to preserve the local and national identity of its products by developing technologies in-house and to ensure the continued satisfaction of its clients, employees, and shareholders with its total excellence philosophy.

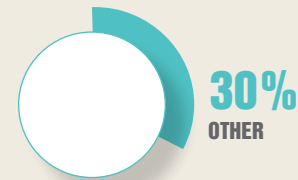
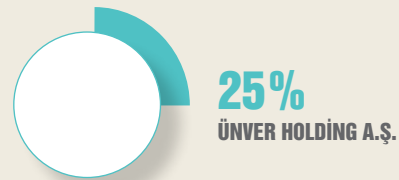
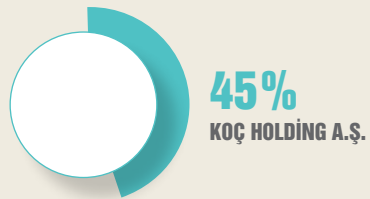
## MISSION

Otokar's primary mission is to design, manufacture and market commercial vehicles and various defense industry products with global competitive strength, all developed to meet customer expectations.

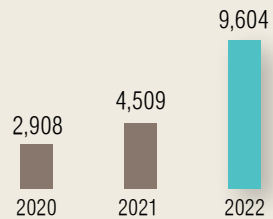
## VALUES

Otokar, together with its employees, strives to achieve ultimate customer satisfaction and capture sound growth by delivering products and services of universal quality and standards in line with the objectives and principles set by the Koç Group. The company is committed to being a symbol of trust, continuity and esteem for the country, and its customers, partners, and the supply industry. Otokar always aspires to be "the best" in its efforts to serve its customers and sees its human resource as its most important asset. Otokar aims to contribute to the Turkish economy as its driving force and always upholds its superior business ethics and working principles as it works to create resources for continuous development.

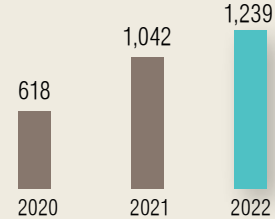
# Otokar in Numbers



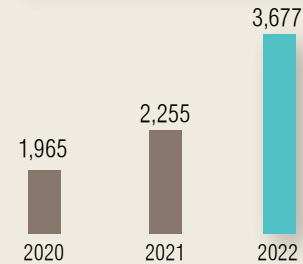
**SALES REVENUES** TL MILLION



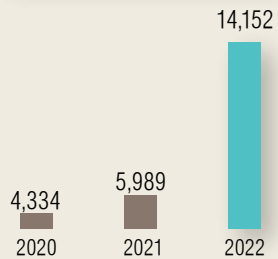
**NET PERIOD PROFIT** TL MILLION



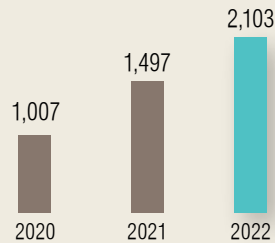
**PRODUCTION** UNITS



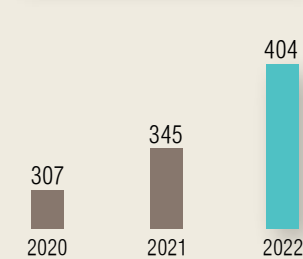
**TOTAL ASSETS** TL MILLION



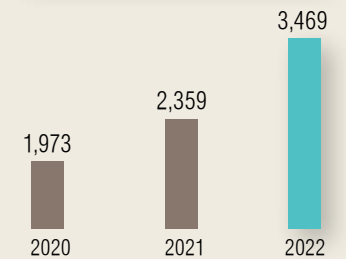
**SHAREHOLDERS' EQUITY** TL MILLION



**EXPORT REVENUES** USD MILLION



**SALES** UNITS



**9.55** SHARE OF OTOKAR-  
DESIGNED VEHICLES IN  
REVENUES

**95.6%** CORPORATE  
GOVERNANCE  
RATING

**38.3%** CAPACITY  
UTILIZATION RATE





## SUSTAINABLE DEVELOPMENT-FOCUSED RESPONSIBLE GOVERNANCE

**OTOKAR SHAPES ITS CORPORATE GOVERNANCE APPROACH AROUND ITS MISSION OF CREATING SUSTAINABLE VALUE FOR ITS STAKEHOLDERS. DEVELOPING A TRANSPARENT AND ACCOUNTABLE GOVERNANCE APPROACH BUILT ON ETHICAL VALUES IS A KEY PRINCIPLE OF THE CORPORATE GOVERNANCE MODEL.**

## Corporate Governance and Board Structure



Otokar adopts a diligent approach to complying with the Corporate Governance Principles, defined by the Capital Markets Board, and the principles specified in the Sustainability Compliance Framework published as an annex to these principles. With continuous efforts, the level of compliance has steadily increased over the years. Based on the assessments conducted in 2022, the Corporate Governance Rating has been upgraded to 9.55/10 and disclosed to the public.

In determining its corporate governance strategy, Otokar considers sustainability, the social and environmental impacts of its operations, and the relevant principles as key factors. As always, the statements regarding the Sustainability Compliance Framework have been included in the 2022 Annual Report.

The Board of Directors, the highest governing body of the company, consists of nine members, including three independent directors, and serves for a maximum of three years. The Board members are elected by the General Assembly by simple majority based on the one share, one vote standard. The candidates nominated to the Board of Directors are expected to bring industry knowledge and experience along with minimum five years of experience in areas such as auditing, accounting, and finance. Board members may be reelected after completing their terms. The duties of the Chairman of the Board and the General Manager are assumed by separate individuals. Currently, one female member serves on the board. In line with the Board

of Directors Diversity Policy published in the previous reporting period, Otokar aims to increase the representation of women in the Board of Directors to 25% within five years.

The Board of Directors is responsible for setting the strategic direction of the company, determining the main strategies, ensuring alignment between the company's activities and these strategies, overseeing risk management, and monitoring the social, economic and environmental impact of the operations. The Board of Directors has formed the Audit Committee, the Corporate Governance Committee, and the Risk Committee to improve the efficiency of its activities. The Corporate Governance Committee is also tasked with performing the duties of the Nomination Committee and Remuneration Committee, as stipulated in the Communiqué.

The committees' resolutions on topics such as determining company policies and strategies, identifying risks and opportunities, and ESG issues, are submitted as recommendations to the Board of Directors, which then reaches the final decision. The Corporate Governance Committee evaluates the activities of the Board of Directors every year. As a result of the evaluations during the reporting period, it was ascertained that the Board of Directors was advised regularly and transparently about the company's performance and developments, and the discussions and meetings were held in a timely manner and in line with the company's strategic goals.

More information on Otokar's Corporate Governance practices, the structure and duties of the Board of Directors, and the working principles of the Board committees is provided in the Otokar 2022 Annual Report and on the corporate website.



## Risk Management

Risk management at Otokar is carried out within the framework of the Risk Policy, under the supervision of the Board of Directors, with the General Manager leading the efforts in coordination with all managers. Risk management is based on a model that is supported and implemented across all levels of the organization and applied in accordance with company strategies, while all existing and potential risks that may prevent the company from reaching its goals are anticipated and monitored, and action plans are prepared in advance.

The Risk Management Committee is responsible for overseeing the risk management processes and ensuring compliance with the policy. The committee's activities include identifying all the risks that may endanger the existence, development and continuity of the company, calculating their effects and possibilities, managing these risks, implementing the necessary precautions and establishing effective internal control systems to address them. The risk model involves regularly monitoring the financial, strategic, operational and legal risks, which are diligently evaluated.

The working principles of the committee, which convened six times in the reporting period, are published on Otokar's corporate website.



## Legal Compliance

Otokar carries out risk and audit activities to ensure legal compliance as a key operating procedure. As part of these efforts, Compliance Policy, Competition Law Compliance Policy, Supply Chain Compliance Policy have been created and implemented. These policies form an integral part of Otokar's Code of Conduct. The Compliance Policy, which lay out the company's commitment to complying with laws and regulations, internal policies, best corporate governance practices, and ethical rules, is binding on all Otokar employees and managers.

The Competition Law Compliance Policy defines the importance of complying with competition law while engaging in commercial activities and relations with competitors for Otokar. The policy specifies the procedures and principles regarding how all the activities at Otokar should be executed in compliance with the competition law legislation. All Otokar employees and managers are required to adhere to the Competition Law Compliance Policy.

The objective of the Supply Chain Compliance Policy is to disclose Otokar's core principles and values to the business partners and provide guidance regarding the standards that they are expected to meet. Otokar manages its relations with suppliers in line with this policy and aims to guide the selection and monitoring of business partners. This policy, which is an integral part of Otokar's Code of Ethics, is binding on all business partners of the company.

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Otokar Compliance Policy and Competition Law Compliance Policy are provided on the corporate website.

## Business Ethics and Anti-Corruption

Otokar strictly adheres to the internationally recognized principles of business ethics. All stakeholders, starting with the company executives and employees, and including Otokar dealers, suppliers, and business partners, are expected to comply with Otokar Code of Ethics, which is based on Koç Holding Code of Ethics and Implementation Principles. UN Global Compact, to which Koç Holding is a party on behalf of all group companies, is also binding on the entire value chain of Otokar.

The Board of Directors is responsible for determining and publishing the company's Code of Ethics, revising it as needed, and ensuring the proper functioning of the relevant organs, systems and procedures. Through the corporate website, you can view Otokar Ethics Principles published in order to provide easy access for dealers, suppliers and other relevant stakeholders as well as the managers and employees of the company. Since compliance with the ethical principles is among the obligations of all executives and employees, two booklets, namely the Code of Ethics and Implementation Principles, and Personnel Regulation, are delivered to all the newly-hired employees, who are asked to declare and undertake that they have read, understood and agreed to the provisions in these documents.

Due to the nature of the industry in which Otokar operates, the company's client portfolio primarily consists of local administrations and central government institutions. As a company committed to conducting all its activities in accordance with

the highest ethical standards, Otokar adopts all the principles of UN Global Compact, including working against corruption in all its forms. The Anti-Bribery and Anti-Corruption Policy defines Otokar's approach and limits. The Gift and Entertainment Policy lays out the guidelines and standards that Otokar employees and executives, acting on behalf of the company, are required to follow when receiving or offering gifts to business partners, hosting guests or accepting an invitation, and similar activities.

Otokar employees are not held liable or sanctioned for adverse situations that may arise due to their compliance with the Code of Ethics and the company's exposure to direct and indirect damages. Keeping the employees informed and aware about business ethics and tackling bribery and corruption is crucial. Accordingly, all the office and field employees receive training on the Code of Ethics and anti-corruption and anti-bribery practices. In 2022, 3,621 person\*hours of Code of Ethic training and 560 person\*hours of Anti-corruption and Anti-bribery training were delivered.

Otokar Ethics Board has been formed to design and effectively implement the processes regarding compliance with business ethics guideline and prevention of unethical behaviors, including bribery and corruption, within the organization and across the value chain. The Board is responsible for the processes, from planning and conducting audits and detecting violations to creating action plans for responding to such incidents. Accordingly, both Otokar Internal Audit teams and Koç Holding Audit

teams conduct individual audits on the company's operations.

Otokar managers and employees are required to report all suspected violations of ethical rules using the methods specified in the relevant policies. All the notifications and complaints received by the relevant units are treated in utmost confidentiality. The Whistleblowing Policy has been introduced to encourage Otokar employees and stakeholders to report any actions suspected to violate Koç Group and Otokar Code of Ethics or relevant policies or applicable legislation. Employees may report suspicious incidents and behaviors and communicate their suggestions and requests to a senior manager. If need be, they may directly contact the Otokar Reporting and Notification Line, specified in the relevant policy documents and accessible via the corporate websites, or the Koç Holding Ethics Line, which is open to all Koç Group companies and managed by an independent service provider. Otokar employees may report incidents that violate Group policies or ethical principles anonymously via this line.

Incidents identified as a result of the notifications received through these channels or during audits are investigated by the Otokar Ethics Board. If deemed necessary, a disciplinary process, including legal proceedings, may be initiated. During the reporting period, 12 notifications in total were received via the ethics channels, all incidents were investigated according to the relevant procedures, and 11 cases were resolved.

Please click to  
access Otokar  
Code of Ethics.

Please click to  
access Otokar  
Anti-Bribery  
and Anti-  
CorruptionPolicy.

Please click to  
access Otokar Gift  
and Entertainment  
Policy.

Please click to  
access Otokar  
Whistleblowing  
Policy.



## Internal Control and Internal Audit

With the Internal Control System established within the organization, Otokar aims to maintain objectivity and independence in all operations, add value to the company, ensure that the company's operations are in compliance with applicable legislation, corporate policies, goals, principles and strategies, and improve effectiveness and productivity. The Internal Control System comprises standard descriptions, job definitions, authorization processes, policies and written procedures included in the workflows.

The Internal Control System is periodically reviewed by the Internal

Audit Department for effectiveness. Within the organizational structure, the Internal Audit Department reports administratively to the General Manager to ensure independency of its activities, and functionally to the Audit Committee.

In addition to the regular internal audits, Koç Holding Audit Group also conducts annual audits at Otokar to review financial, operational, legal compliance, human rights, environment, business ethics and corruption topics. Furthermore, Otokar's activities are subject to annual financial audits by independent auditing firms and inspections by government institutions.

The internal audit teams also audit the financial and operational processes in all departments once a year and assess the legal compliance and corruption risks.

The audit results are shared with the relevant managers. In the event that violations or suspected violations of business ethics and anti-corruption rules are detected during the audits, such incidents are directly reported to the company's senior management. In this process, the relevant cases are submitted to the Board of Directors through the Audit Committee and to Koç Holding senior management through the Koç Holding Audit Group.

## Sustainability Management

The sustainability management approach that Otokar adopts is defined as protecting the environment, respecting people, and upholding ethical values. Otokar's sustainability approach extends beyond the company's own operations to the entire value chain. In recognition of its efforts in line with this vision, Otokar has been included in the BIST Sustainability Index, whose constituents are companies with the highest corporate sustainability performance, since 2014.

Otokar adopts UN Global Compact and UN Women's Empowerment Principles, which Koç Holding has signed on behalf of the group companies, and actively supports these initiatives. Otokar also contributes to the United Nations Sustainable Development Goals (SDGs) and strives to achieve alignment between its material topics and these goals.

The Board of Directors determines the corporate strategy and direction of the company regarding sustainability, as with all other matters, and monitors the sustainability performance of the senior management. On the other hand, the Sustainability Working Group is responsible for monitoring the social, environmental and economic impact of the company's operations and the relevant stakeholder expectations with a risk and opportunity-focused approach.



Photo: Alberto Bridi

## Otokar Sustainability Model

Otokar's Material Topics are identified by evaluating the company's impact during workshops with the participation of Working Group members, General Manager and Assistant General Managers. The material topics are then approved and finalized by the senior management. The material topics are reviewed annually and the materiality analysis is repeated as needed.

In the previous reporting period, Otokar's material topics were identified again based on a renewed materiality analysis, which involved surveys with 14 different stakeholder groups, including Otokar managers and executives along with external stakeholders. The results were then evaluated by the Sustainability Working Group, and the Otokar Sustainability Model was created. The objective of this model is to create a roadmap that will strengthen the automotive and defense industry strategies of Otokar as a company that owns its environmental, social and governance responsibilities and respects the environment, people and the future. Otokar Sustainability Model aims to drive the company forward with a holistic and inclusive perspective.

### R&D AND INNOVATION FOR CONTINUOUS AND SUSTAINABLE DEVELOPMENT

- Product quality
- Life cycle factor in production
- Minimizing the impact of supply and value chain



### QUALITY AND SUSTAINABLE PRODUCTS

- Implementing new technologies
- Alternative fuel vehicles
- Sustainable product design
- Digitalization



### INNOVATIVE SOLUTIONS FOR TACKLING CLIMATE CHANGE

- Energy efficiency in production
- Zero waste
- Shift to low carbon economy



### BRAND VALUE AND CUSTOMER SATISFACTION

- Accessibility
- Customer satisfaction
- Brand value and reputation



### EMPLOYEE SATISFACTION

- Employee loyalty
- Occupational health and safety
- Diversity and human rights
- Talent management





## Stakeholder Engagement

Otokar regards stakeholder engagement as a key factor for creating value for its stakeholders in all its activities. Therefore, the company aims to engage in constructive and transparent communication based on mutual trust, cooperation and benefit with all its stakeholders, starting with its clients, employees, suppliers and shareholders, government authorities and regulatory institutions, NGOs and the media. In determining the communication methods and frequency, Otokar considers the needs and expectations of the respective stakeholder groups.

As a publicly traded company listed in Borsa Istanbul, Otokar maintains shareholder relations in accordance with applicable laws and regulations and capital market legislation requirements, and communicates transparently and regularly with investors and shareholders through the Investor Relations Department. The shareholders are advised about the company's activities and goals by various means, including annual ordinary general assembly meetings, annual reports, sustainability reports, annual and quarterly earnings releases, periodic analyses and information documents, website, press releases, material disclosure announcements, meetings, and interviews. Provided that there is no breach of confidentiality, information is shared with the shareholders on demand.

The Corporate Communications Department is also responsible for communicating with the stakeholders other than the shareholders, determining the corporate communication strategies and practices, and implementing social development projects. During the selection of the partnering stakeholders, especially for

social development projects, the relevant stakeholder is expected to hold the same high ethical standards as Otokar and adopt a mutually beneficial and constructive work culture.

The intranet is the primary channel used to communicate with Otokar employees.

Internal management changes, important announcements and press releases are announced via the intranet. Work environment surveys among the employees, management bodies such as OHS committees, self-assessment interviews, open door meetings and suggestion system are other important channels used in internal communication. These channels enable the employees to communicate their expectations, opinions and suggestions and to contribute to the management processes.

The newsletter "This Month at Otokar," the Otokar Hattı blog, and the company's social media accounts are channels used to communicate with the employees, clients, and the authorized dealers and service centers. The training programs offered to the employees and the authorized dealers and service centers also strengthen the communication between the company and its stakeholders.

Otokar joins trade and industry associations and unions operating in its fields and partners with non-governmental organizations working for sustainability. The company also serves on the joint working platforms or management bodies of these organizations to support their activities.

## MEMBERSHIPS AND ORGANIZATIONS

- Automotive Distributors Association (ODD)
- Automotive Manufacturers Association (OSD)
- Automotive Technologies R&D
- Automotive Technology Platform
- Defence and Aerospace Industry Manufacturers Association
- Foreign Economic Relations Board of Türkiye (DEİK)
- Heavy Commercial Vehicle Importers Association
- Istanbul Chamber of Commerce
- Istanbul Chamber of Industry
- Istanbul Mineral and Metals Exporters' Association
- OSD Environment Advisory Board
- Provincial Employment Authority
- Sakarya Chamber of Industry and Commerce
- Technology Development Foundation of Türkiye
- The Union of Chambers and Commodity Exchanges of Türkiye
- Turkish Employers Association of Metal Industries (MESS)
- Turkish Industry and Business Association (TÜSİAD)
- Turkish Quality Association (KALDER)
- TÜSİAD Environment Advisory Board
- Uludağ Exporters' Association

## CONTINUOUS SUSTAINABLE DEVELOPMENT

**OTOKAR AIMS TO ACHIEVE SUSTAINABLE AND CONSISTENT DEVELOPMENT THROUGH INNOVATIVE BUSINESS PROCESSES AND PRODUCTS IN HIGH QUALITY STANDARDS. THE IMPACT MANAGEMENT EFFORTS, INCLUDING R&D ACTIVITIES AND THE SUPPLY CHAIN, ACROSS THE LIFE CYCLE ARE AMONG THE KEY FACTORS THAT CREATE MORE BENEFITS FOR THE STAKEHOLDERS.**





## Consistent Growth

Otokar, a Koç Group company, maintains a national identity and engages in production on its main campus in Arifiye, Sakarya. Otokar is Türkiye's leading commercial vehicle and defense industry manufacturer and exports its products to many countries.

Despite the challenges that the automotive industry faced in the aftermath of the pandemic, Otokar maintained a consistent growth trend in 2022 and reconfirmed its leadership in the bus market for the 14<sup>th</sup> time as Türkiye's most preferred bus brand. Otokar also grew and reinforced its image in the domestic and international markets with its successful performance in the public transportation segment. Otokar's outstanding achievements in production and exports in the automotive industry were recognized with the "Silver" prize at the Export Champions Awards presented by the Automotive Exporters Association (OIB). As production for major cities continued, Otokar delivered the orders of the Istanbul, Balıkesir, İzmir and Muğla Metropolitan Municipalities. In exports, orders were delivered to Israel, Tunisia, Azerbaijan, and Georgia, while new orders were received from Romania and Czechia. Otokar also received orders for Vectio, Kent and CNG-powered Kent buses from Italy.

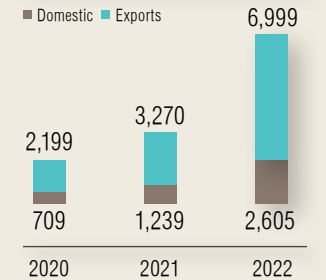
Within the reporting year, Otokar expanded its electric bus range with the addition of e-Centro and

e-Kent Articulated buses. The electric bus range was promoted in a number of European and Middle Eastern countries, bringing in orders from Italy, Spain, Romania and Serbia.

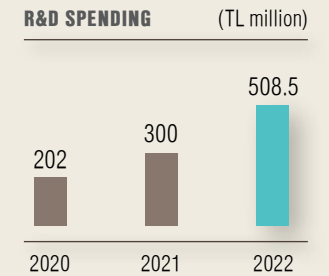
Otokar maintained its growth in the Turkish truck market and added the 12-ton Atlas 3D to its product range in 2022. During the reporting year, orders were delivered to municipalities and other public and private sector clients. Otokar is currently in the process of ramping up its efforts to export Atlas, which has become a favorite of the private sector fleets, and has already received some orders from export markets.

Otokar is the leading Turkish national defense company, offering different types and variants of wheeled armored vehicles from 4x4 to 8x8, tracked armored vehicles, and turret systems. Currently, over 33,000 Otokar vehicles are included in the inventories of nearly 60 clients in more than 40 countries, including Türkiye. In 2022, the company showcased its wide product range and capabilities in defense industry fairs and exhibitions across the world and promoted its vehicles in several countries from South Africa and Indonesia to Chile and France. As a result of these efforts, Otokar received new orders for vehicles and spare parts from different markets in the reporting period.

### SALES REVENUES (TL million)



## R&D and Innovation



Otokar's capability to develop technologies, designs and applications with wholly owned intellectual property rights is among its key competitive advantages, made possible thanks to the activities carried out with nearly 600 employees at the advanced R&D Center, which ranks among the handful facilities worldwide.

Most of the high technology vehicle groups and systems Otokar manufactures are designed in-house. In the reporting period, Otokar's own designed vehicle sales accounted for 95.55% of total revenues.

Otokar R&D Center features an advanced physical and software infrastructure for design, prototyping, simulation, and testing processes. The R&D Center also serves as an independent accreditation center for local and international automotive and defense industry companies. Other sectors and companies benefit from the R&D Center's testing services as well.

In 2022, Otokar's R&D spending amounted to TL 508.5 million, bringing the ratio of R&D spending to revenues to an average of 7% in the last 10 years. As 38 R&D projects continued, applications were filed for 46 new patents and utility models, while the total number of registered patents reached 16. In the reporting period, the products and services developed from Otokar's latest innovations brought in TL 7.31 billion in revenues.

The R&D activities in the reporting period focused primarily on electric and autonomous vehicle systems. The development project for the 12mt and 18mt electric bus, Kent, and alternative battery studies, the electric Centro project and the autonomous vehicle project running parallel to this project, the 12mt Fuel Cell (hydrogen cell fuel) powered public transportation bus project, and the project for the electric intercity bus, Territo, are some of the ongoing projects at the R&D Center.



## Product Quality and Responsibility

As a Koç Group company, Otokar aims to provide products and services in universal quality and standards in line with the Group's goals and operating principles. As part of its product and service responsibility, Otokar considers the social, environmental and economic impacts that the services may have. The company continuously strives to ensure that customers are always equipped with accurate information about the products and terms of use.

At Otokar, product and service quality is managed in line with the internationally accepted product and management standards. Accordingly, production process quality and excellence is assured with ISO 9001 Quality Management System Standard, AQAP 2110 Military Quality Assurance System, ISO 3834-2 Welding Qualification, and 6 Sigma DMAIC certifications.

As a company that always aims for continuous improvement in its business processes, services and products, Otokar continued to apply Kaizen practices to offer the employees development opportunities. Based on the evaluations of the Kaizen work of the field employees throughout the year, the viable practices were included in the system and implemented and 27 employees were recognized with the Kaizen Reward in 2022.

Otokar products are subject to many laws and regulations that vary depending on their purpose and markets where they will be used. Therefore, applicable legislation is monitored closely to ensure and maintain legal compliance. In 2022, no cases of non-compliance were detected regarding the product and safety norms specified in the laws and regulations of the individual markets where the products are used.

For Otokar, operating in the defense industry comes with critical product quality requirements and responsibilities. Pursuant to applicable laws and statutory requirements, the defense industry products are only sold to the Turkish Armed Forces and other security forces. Defense industry products, which are subject to the approval of the Turkish Ministry of Defense and the requirements of the respective governments' export license regulations, are only exported to the authorized organizations within the framework of the applicable export laws.

## QUALITY CERTIFICATES OF OTOKAR'S TEST LABORATORIES RENEWED

Otokar's Ballistics and Mine Laboratory went through an interim inspection by IAS and the EMC and Environmental Testing Laboratory was audited for re-certification by TÜRKAK. After the inspections were completed, the quality certificates of Otokar's test laboratories were renewed.



## Production Life Cycle

For Otokar, addressing the environmental impacts forms a key decision factor during the design stage. The process requires consideration of both the specific requirements of production and products and also the impact that the products create throughout their life cycle. In light of these considerations, studies are carried out to improve the environmental impact of existing and new products.

Accordingly, a Product Life Cycle Assessment (LCA) Report was prepared for an electric microbus model in 2022. Furthermore, recycling ratio analyses were performed for two small bus models, and improvement work was planned.



Photo: Alberto Bridi



## Minimizing the Impact of Supply and Value Chains

Otokar adopts a holistic approach to measuring the impact on the entire value chain when evaluating its sustainability performance. Therefore, controlling and improving the impact caused by the supply chain makes up an important part of the company's sustainability efforts.

Otokar Supply Chain Compliance Policy defines the core methodology that shapes the principles and practices followed in supply chain activities. Prepared in accordance with Koç Holding Purchasing Management System and UN Global Compact, the policy aims to communicate Otokar's core principles and values to its suppliers by creating a roadmap for the standards they need to follow. With this policy, which is an integral part of Otokar's Code of Ethics, the suppliers undertake to comply with the principles of UN Global Compact and the requirements of ISO 14001 Environmental Management System. The General Manager and the relevant department managers are responsible for overseeing the suppliers' compliance with the company policies and the laws and regulations.

In the supplier selection process, criteria such as competitiveness and compliance with global standards, and the financial, commercial, operational processes, along with social, environmental and economic performance are used to evaluate the candidates. Suppliers that meet the criteria are collected in the supplier pool, and all purchases are made from this pool.

In the reporting period, Otokar made direct and indirect purchases from 1,456 suppliers in the pool, including 1,178 local suppliers. The purchasing expenditures amounted to TL 7.7 million in 2022, with local sourcing ratio reaching 80.9% in terms of the number of local suppliers, and accounting for 44.8% of total spending.

The main suppliers consists of partners supplying materials and components, while providers of various services, starting with logistics, are also included in the supplier portfolio.

Otokar utilizes various channels to maintain seamless and healthy communication with the suppliers. For instance, the purchasing policies and related developments are communicated to the suppliers via the vRSM Portal, where the procurement processes are also followed. The scope and limits of supplier communication are specified in the Otokar Supplier Relations Policy. Starting from the design processes, Otokar also leverages the expertise of individual suppliers and collaborates with them for modular production and kit shipments.

VMI (Vendor Managed Inventory), BTO (Build to Order), KANBAN, and JIT (Just in Time) are other programs used to improve the efficiency of the procurement operations. The MILK-RUN delivery programs, introduced to facilitate these processes, especially in local sourcing, have been used since 2009.

The suppliers' compliance with Otokar's operating principles and standards is monitored with supplier audits. In this process, the performances of the suppliers are evaluated according to various criteria such as quality, logistics, cost, environment, working norms, and human rights and occupational safety practices. UN Global Compact forms the main framework of this evaluation. In audits conducted with a risk-focused approach, the suppliers that are signatories of the UN Global Compact and the suppliers who hold ISO 14001, OHSAS 18001, ISO 9001 certifications are categorized as the low risk group, which is prioritized in the audits. The scope of the audits includes compliance with environmental working norms, respecting human rights, including not using forced labor, child labor, or illegal labor, and business ethics. Based on the audit results, a development plan is prepared for the suppliers. The goal is to increase the level of implementation.

During the reporting period, a Business Ethics Self-Assessment Document was published for local suppliers. Based on the assessments, which 46 suppliers completed, non-compliance has not been detected.





An aerial photograph showing a winding asphalt road that snakes through a vast, dense forest of tall, green trees. The road starts from the bottom left, curves sharply to the right, then loops back to the left, and continues to wind through the forest towards the top right. The sunlight filters through the canopy, creating a dappled light effect on the road and the surrounding foliage.

## SUSTAINABLE, HIGH QUALITY PRODUCTS

**OTOKAR AIMS TO DRIVE ITS SUCCESS TO NEW HEIGHTS IN THE DOMESTIC AND INTERNATIONAL COMMERCIAL VEHICLE AND DEFENSE INDUSTRY MARKETS WITH ITS SUSTAINABLE, HIGH QUALITY PRODUCT DESIGNS.**



## Sustainable Product Design with New Technologies

Otokar has strived to create added value and competitive advantage with products tailored to client expectations. This level of success is grounded in the investments made with 100% local capital in technology, design and innovative applications with fully owned intellectual rights. In 2022, Otokar continued to invest in sustainable product technologies. The projects, primarily focused on alternative fuel and electric, smart, autonomous vehicles and transportation solutions, align with the zero accident and zero emission targets laid out in the European Union's 2050 programs. Accordingly, the work on autonomous vehicles stands out as the most prominent project of the reporting period. The autonomous drive applications, first deployed on the 9mt Vectio public transportation vehicle, now continue with the electric Centro. This autonomous electric vehicle enables the application of various next-generation technologies. With the prototyping stage completed, the field tests of the vehicle are currently ongoing.

## EXCELLENT PRODUCT DESIGN WINNER

Territo won the Excellent Product Design category at the German Design Awards.



## Alternative Fuel Vehicles

Transportation activities are among the top factors that exacerbate climate change due to the greenhouse gas emissions they generate. Therefore, creating an alternative fuel vehicle range ranks among Otokar's primary focus areas in its product development efforts to reduce the emissions of its products while also considering low carbon economy and stakeholder expectations. As a major global player in alternative fuel vehicles, Otokar responds to the requirements of cities for environment-friendly vehicles with a broad product range, consisting of natural gas-powered and electric vehicles.

Otokar also focuses on green transportation solutions with its electric bus range of 6mt to 19mt vehicles to reduce the impact of transportation-related activities on climate change. In 2022, new product development efforts in this field continued at full steam. As a result of the activities launched in 2018, the electric variants of the 12mt and 18mt Kent and the Centro public transportation buses were commercialized in the reporting period. Work is in progress to develop the Territo, along with alternative batteries for the existing Kent public transportation bus.

The Fuel Cell (hydrogen fuel cell) powered public transportation bus is another example of the latest technology applications. The hydrogen fuel vehicles represent a new trend in the sector, and are expected to replace electric vehicles over time. With the prototyping stage completed, tests are ongoing on the vehicles. In addition to developing alternative fuel vehicles, Otokar also works to reconfigure its existing vehicle range with lower emission engine systems.

## BIG SEE PRODUCT DESIGN AWARDS

Articulated Kent, produced for the BRT lines, and e-Kent, Otokar's electric bus, were recognized with the BIG SEE Product Design Awards in the Mobility category.



## Digitalization

Otokar sees digital transformation as a critical opportunity for developing new production segments and defines its strategy in a way to ultimately make it a part of the company culture. The company aims to leverage digital technologies in all its business processes to improve efficiency, profitability, and competitiveness. Accordingly, Otokar builds its digital transformation vision on four pillars: Customer Facing Digital Channels, Digitalized Production and Supply Chain, Analytical Decision and Marketing, and Digital Products and Services.



## DIGITALIZATION PROJECTS

**Forklift Smart Camera System:** The Forklift Smart Camera System project was launched to prevent potential occupational safety risks that may be caused by the operators who rely solely on the naked eye while processing the products on the higher shelves. To eliminate this risk, a wireless fork camera system has been designed and positioned on the forklift's fork. The camera enables the fork image to be communicated to the operator's tablet screen, which then displays the front view in real time. The project, deployed on the high-reach forklifts and reach-trucks, was recognized with the Recommended Project Award in the OHS Special Award category at the MESS Stars of Occupational Safety Awards.

**Factory IoT Applications:** As part of the IoT applications, the sensors needed to monitor the status of critical sites within the factory in real time were defined in the system. The platform where the RTLS system and the temperature monitoring system of the busbars used in electrical power distribution would be integrated has been determined as Platform 360. The plan is to deploy this platform and the sensors in 2023.

**VALU3S:** VALU3S (Verification and Validation of Automated Systems' Safety and Security) is a Horizon 2020 Ecsel program project that aims to design, implement and evaluate state-of-the-art verification and validation methods and tools to reduce the time and costs needed to verify and validate automated systems against safety, cybersecurity and privacy (SCP) requirements. Otokar is a project partner, providing a usage area and developing a technology to ensure the safety and cyber security of an industrial robotic system. Studies are ongoing with 42 project partners from 10 countries to ensure the stable operation of the system against different attacks and security vulnerabilities. During the reporting period, the system topology

to enable the integration of the Hardware Security Module (HSM) and Secure Gateway (SG), which ensure cyber security, has been determined and deployed on the electrical board. Also, a digital twin platform software that creates the safe robot trajectory has been developed. Then, the error injection and robot trajectory optimization modules developed by the stakeholders were integrated into the digital twin.

**TASTI:** The main objective of TASTI (Tailored Synthetic Image Generation) is to develop a modular transferable technology framework to bring innovation to synthetic image generation and to customize such an innovation for different applications. The goal of the project is to generate synthetic images of the error types encountered in industrial systems and to classify those errors with neural networks trained with these images. Otokar aims to integrate the project outputs into applications where machine vision systems are utilized. There are 17 project partners from Turkey, the Netherlands, Spain, Belgium, Sweden and Canada in the project, which has already received the Celtic (Eureka) label and TÜBİTAK's approval.

**EXPAl Smart Industry:** The main objective of the project is to build a flexible, controllable digital environment powered by an Explainable Artificial Intelligence (XAI) digital smart platform, which collects and analyzes sensor data from multiple sources for different areas and combine them within a common framework for industrial areas and retail. Otokar's goal with this project is to optimize warehouse processes using artificial intelligence. There are 16 project partners from Türkiye, Spain, Portugal, Slovenia, and Korea. While TÜBİTAK's approval process is currently ongoing, the project has already received the Celtic (Eureka) label.



## BRAND VALUE AND CUSTOMER SATISFACTION

**OTOKAR HAS ELICITED BRAND TRUST WITH ITS CUSTOMER SATISFACTION-CENTRIC ACTIVITIES SINCE THE VERY BEGINNING, AND MAINTAINED ITS POSITION AS THE MOST PREFERRED BRAND IN THE TURKISH BUS MARKET IN THE REPORTING PERIOD. THE PRINCIPLE OF ACCURATELY RESPONDING TO CUSTOMER EXPECTATIONS WITH THE MOST ADVANCED PRODUCTS AND SERVICES OF THE TIME AND CREATING ULTIMATE CUSTOMER SATISFACTION LIES AT THE HEART OF OTOKAR'S BRAND VALUE.**



## Customer Satisfaction

Otokar aims to build long-lasting relations with its customers based on mutual trust by understanding their needs and expectations, and consequently creating ultimate satisfaction. The activities carried out for this purpose are managed by the Marketing and Sales Directorate and the relevant units according to the Customer Satisfaction Policy and Quality Policy. The sales and aftersales processes are executed through 19 dealers and 71 authorized service centers.

Customer satisfaction processes are shaped according to the ISO 10002 Customer Satisfaction Management System Standard. The conformity of the customer satisfaction processes with applicable standards across the customer satisfaction ecosystem, including dealers and authorized service centers, is assured by independent system certification inspections. Furthermore, customer satisfaction in aftersales service processes is assured with TS 12681 and TS 12047 Authorized Service Qualification Certifications.

Surveys such as Welcome to Otokar Survey, Customer Satisfaction Survey, CRM Customer Satisfaction Survey, Roadside Assistance Satisfaction Survey, Thing Gone Wrong (TGW) Survey, Solution Path Customer Satisfaction Analysis, Service Satisfaction Survey, and New Vehicles Customer Surveys are conducted to monitor the continuity of customer satisfaction. The development areas identified as a result of these surveys are shared with

the relevant units and the improvement processes are followed.

Otokar has in place multiple custom-designed communication channels to provide complete information about its products and services. Customers may directly access information such as product content, features, environmental impact, and safe use conditions via these channels. Otokar's corporate website, product information forms, user manuals, vehicle modification guides and various other documentation are also resources available to the customers. Furthermore, customers may submit their service requests, opinions and suggestions via the Otokar Customer Service Line, website, or authorized dealers and services.

Always aiming to elevate the satisfaction levels of its products and services, Otokar continued its customer-centric activities in 2022. In addition to offering low maintenance costs and affordable parts through a wide aftersales service network across Turkey, the company also organized two "Service Days" campaigns for commercial vehicles in 2022. Furthermore, Otokar Academy online training portal, which was launched in 2021 to support both authorized service providers and customers with training programs, continued to deliver remote training. As part of these activities, Otokar Atlas was introduced to the truck dealers in a new training program.

## BRAND VALUE AND REPUTATION

For Otokar, customer satisfaction is a key factor that determines the brand value and reputation. The company's people-centric sustainability model is combined with customer relationship management to expand its sphere of influence. Otokar also aims to maintain customer satisfaction at the highest level with aftersales services.



[Please click to access Otokar Quality Policy.](#)

[Please click to access Otokar Customer Satisfaction Policy.](#)



## Data Privacy

Otokar is a manufacturer that has the capability to design and develop products using its own knowledge and expertise and also engages in R&D activities, making its information assets even more important. Protecting the corporate and personal data of clients and customers is also addressed within the scope of data privacy. Furthermore, Otokar's activities in the defense industry require data to be maintained in utmost confidentiality. Therefore, Otokar takes all measures needed to protect its information assets and store them securely, safely and continuously, while constantly enhancing the relevant practices.

Otokar Personal Data Protection Policy, determined in accordance with the applicable laws and regulations, lays out the principles that the company adopts for processing personal data. On the other hand, Otokar Information Security Policy defines the principles regarding the protection of information assets, and collection and use of customer information. In all the processes regarding data privacy, Otokar complies with ISO 27001 Information Security Standard and AQAP 2110 NATO Quality Assurance Requirements Standard for Design, Development and Production.

Otokar advises data subjects transparently about the protection of their data, and the express consent of the customers is sought after they have read and understood the information notice before their information is collected. The collected data is not used for purposes other than those specified in Otokar Customer Satisfaction Policy and the Personal Data Protection Law No. 6698.

All employees, starting with the CRM Center employees, receive training on data privacy and undertake to protect confidentiality. The data privacy processes are reviewed at regular intervals. Thanks to the diligent implementation of these policies and practices, no complaints were received in 2022 regarding the breach of customer data privacy and loss of customer data.



[Please click to access Otokar Personal Data Protection Policy.](#)

[Please click to access Otokar Information Security Policy.](#)



## EMPLOYEE SATISFACTION

**OTOKAR REGARDS ITS PEOPLE AS THE MOST VALUABLE ASSET AND DEVELOPS CORPORATE POLICIES AND PRACTICES WITH A PEOPLE-CENTRIC APPROACH. OTOKAR OFFERS ITS EMPLOYEES A FAIR, EQUITABLE AND RESPECTFUL WORK ENVIRONMENT WHERE THEIR RIGHTS ARE PROTECTED. NO APPROACH OR BEHAVIOR THAT MAY BE CHARACTERIZED AS A HUMAN RIGHTS VIOLATION AND DISCRIMINATION IS TOLERATED IN ANY BUSINESS PROCESS OR HUMAN RESOURCES PRACTICES. THE PRINCIPLE OF 'EQUAL PAY FOR EQUAL WORK' IS ACCEPTED AS THE NORM IN EMPLOYEE COMPENSATION POLICIES.**



## Employee Engagement

Otokar aims to manage the employee experience with a holistic approach at every stage of employment, starting from recruitment. Employee experience initiatives are led by the Human Resources Department.

In the reporting period, the Employee Engagement Survey score, which measures the employee experience in various processes, was determined as 73.2%. In 2022, Otokar was named the “Best Employer” for the third consecutive year by Kincentric, a global human

resources and management consultancy firm, and won the Continuing Excellence Award. Based on a number of studies, surveys, and polls, Otokar was also recognized with the Happy Place to Work and Great Place to Work awards.

The remote work and flexible work models that came to the forefront during the pandemic still remain in place in response to the evolving employee expectations.



## SOCIAL BENEFITS

- Otokar offers its employees various social rights and benefits to support them in creating work/life balance and improving their quality of life with their families. Events such as employee club activities, internal celebrations, sports tournaments, and nature walks are organized for the entire Otokar family to participate.
- As members of the Koç Group, Otokar employees benefit from KoçAilem, a platform that offers various privileges, including discounts across Türkiye in all areas of life, from shopping and travel to education and art. They are also offered regional deals specific to Sakarya and İzmit such as discounts at partnering companies in healthcare, sports, entertainment, and education.
- The new employees starting at Otokar are offered guesthouse facilities to support their accommodation in and around Sakarya.
- As of the reporting period, 2,271 employees have been included in the private pension plan. With this plan, employees made a total premium payment of TL 23.3 million to the pension fund, while Otokar paid TL 22.8 million as employer contribution on behalf of the employees.
- The suggestions and complaints received via the Excite app, launched the previous year, are evaluated and leveraged to improve the benefits offered to the employees.

## Diversity and Human Rights

Otokar's core values and material topics include human rights. Otokar's respect for human rights extends to all its stakeholders. Koç Holding Human Rights Policy, UN Guiding Principles on Business and Human Rights, ILO Conventions, and Universal Declaration of Human Rights have been used as references in drafting the Human Rights Policy, which reflects the company's human rights approach and standards. Compliance with this policy, which is binding on all managers and employees of the company, is also expected from business partners. The principles and implementation procedures to be followed in human resources processes are specified in Otokar Human Resources Policy and Personnel Regulation.

Otokar respects the employees' rights to establish and participate in non-governmental organizations, and supports their union rights by providing them with the opportunity to exercise their collective bargaining and organizing rights. As of 2022, all workers at Otokar are union members. During the year, a constructive communication environment was maintained with trade unions, with no loss of work and work days due to strikes and similar practices.

Otokar aims to eliminate all inequalities, starting with gender inequality. Recognizing the importance of adopting corporate approaches to ensuring gender equality, Otokar engages in practices that promote women's employment and equality in business life.

Otokar is a signatory of the Declaration on Equality at Work, published by the Equality at Work platform, and Women's Empowerment Principles (WEPs), a joint initiative of UN Women and UN Global Compact. As of the reporting period, 163 female employees work at Otokar, where women make up 5% of the total workforce, 7.3% of mid-level managers, and 16% of senior management. Currently, female professionals hold 19% of revenue generating roles, 18% of engineering roles, and 22% of information technology roles.

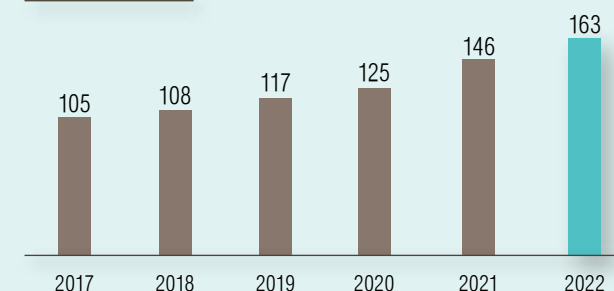
Otokar promotes equal opportunity, female representation, diversity and inclusion on all levels of the organization and recognizes that achieving diversity in decision-making mechanisms will positively affect company performance. Accordingly, the Board of Directors Diversity Policy has been published and implemented. The policy has set a goal of raising female membership ratio in the Board of Directors to 25% in the next four years. Currently, female members constitute 11% of Otokar's Board of Directors. In the reporting period, senior executives were given targets to improve the number of hourly paid female employees.

In 2022, women constituted 2% of the new employees and 2.5% of the employees who left the company. On the other hand, the ratio of women who received a promotion and who were promoted to managerial positions for the first time reached 18% among all the

*Koç Holding is a signatory to UN Global Compact, which is binding on Otokar's operations and value chain. Otokar stands against child labor, forced labor, all forms of discrimination and harassment, and never compromises this stance. Otokar adopts and follows the following international human rights standards and principles:*

- UN Guiding Principles on Business and Human Rights (2011)
- UN Global Compact (2000)
- ILO Declaration on Fundamental Principles and Rights at Work (1998)
- Women's Empowerment Principles (2011)
- Worst Forms of Child Labor Convention (No. 182)
- OECD Guidelines for Multinational Enterprises (2011)

### FEMALE EMPLOYEES



Please click to access Otokar Board of Directors Diversity Policy.  
Please click to access Otokar Human Rights Policy.



## Diversity and Human Rights

promotions, while the waiting period for promotion decreased significantly, for female employees in particular, dropping to an average of 2.36 years for women and 2.82 years for men.

Otokar formed the Diversity, Equality and Inclusion Committee - SPECTRUM - to create a diverse, equal and inclusive work environment where human rights are respected and to build a corporate culture on these principles. The SPECTRUM committee has already conducted a materiality analysis within the organization and identified the focus areas to address as gender equality, physical disability, and generational discrimination. And the results of these studies have been published in the form of a manifesto.

Remuneration is another area where the company promotes gender equality and adopts an Equal Pay for Equal Work approach. Accordingly, there is no

gender pay gap between people performing the same job. Salary differences between employees are based solely on factors such as individual performance and seniority.

In terms of the lowest salaries paid to female and male employees, women are paid 126.5% of the minimum wage, while male employees are paid 125.9% of the minimum wage. With respect to the salaries by category and gender, women's median salaries are 5% higher among field employees, while men's median salaries are 7% higher among office employees.

Otokar implements measures to facilitate the lives of female employees with children. For example, 33 female employees benefited from daycare assistance in 2022. There is a dedicated room for women who are nursing, while plans are in place to increase the number of these rooms in the near future.

*Otokar is committed to voluntarily adhering to the following principles to eliminate gender discrimination and lead in spreading them across the country.*

1. We respect human rights and treat all our employees with the basic principle of equality.
2. We ensure the health, safety and wellbeing of our female and male employees without gender bias.
3. We specifically support women's participation in the workforce.
4. We define equal opportunity criteria for men and women in all our Human Resources policies.
5. We adopt an equal pay for equal work approach and follow the policy.
6. We establish the mechanisms needed to offer the employees and candidates equal career opportunities.
7. We define and monitor training policies and encourage women's participation in training programs.
8. We provide work environments and practices that enable work-life balance.
9. We announce developments regarding our equal opportunity plans and achievements through internal and external communications.
10. We ensure that the Equality at Work Declaration is spread across our sphere of influence (business partners, suppliers).
11. We form a leadership team within the organization to follow up the issues in the Declaration.



## Employee Development

Otokar recognizes that providing a development-focused work environment plays an important role in individual success and motivation as well as achieving collective business success. Therefore, the company creates various learning opportunities to equip employees with new knowledge and skills and improve their competencies. The company adopts a talent management approach which aims to ensure that the right person is placed in the right position, personal performance is measured and assessed accurately and objectively, and employees are provided with the necessary professional knowledge and skills by planning their career paths accordingly. The employee development roadmap is created on the basis of assessments and planning interviews conducted during the performance appraisal process.

Various training programs have been created to further develop the employees with the knowledge and experience in parallel to their career journeys. In addition to internal and external classroom and online training programs, development programs created by Koç Holding and Koç University are also available to the employees. And the new employees receive "Development Journey" training.

Based on the OtoRota online training and development catalogue, 16 behavioral, and nine technical training programs and four seminars were completed in 34

groups during the year. The catalogues features 435 different training programs on various topics, including agile transformation, basic first aid, sign language, English language, energy savings, OHS, and digital literacy.

As part of the employee development efforts, 95,390 person\*hours of training in total was provided in 2022, including 34,336 person\*hours for office employees and 61,054 person\*hours for field employees, averaging a training time of 29.5 hours per person. Furthermore, Vocational Qualification Certificates were obtained for 980 field workers in their respective areas. In addition, 4,884 person\*hours of training was provided for 407 subcontractor employees. In 2022, TL 9 million was allocated to training activities.

Otokar recognizes that seeking the opinions and suggestions of the employees and using them in determining strategies and making decisions may create a difference. Accordingly, Otokar uses a Suggestion System to obtain the employees' opinions. Employee suggestions are assessed by the Suggestion Evaluation High Committee, and viable suggestions are duly implemented. In the reporting period, out of the 3,159 suggestions submitted by 1,241 employees, 1,749 were implemented. Enhancements achieved as a result of the suggestions delivered TL 12.3 million in financial savings.

## PERFORMANCE APPRAISAL

Employee performance is evaluated with fair and systematic measurement tools. After performance appraisals are completed with interviews at the end of the year, individual feedback is provided to the employees. During the reporting period, all Otokar employees received feedback about their performance.

Employee compensations are based on performance and objective methods are utilized to avoid any discrimination. In determining the compensation policies, independent expert organizations are consulted for opinions and research. The principles laid out in the Remuneration Policy for the Board of Directors and Senior Executives are followed to determine the remuneration for the Board members and senior executives with administrative responsibilities, pursuant to the CMB regulations.

Please click to access Otokar Remuneration Policy for the Board of Directors and Senior Executives.



## Occupational Health and Safety

In line with its corporate values and company policies, Otokar takes all the necessary precautions to create a healthy and safe environment for its employees and everyone who is present at the factory site for work, internship, or visit purposes. ISO 45001 management system standards and Otokar OHS Policy are followed to address the occupational health and safety issues across the organization. The Occupational Health and Safety Unit, which is responsible for OHS management, consists of occupational safety experts, workplace physicians and assistant health personnel. In the organizational structure, the OHS Unit is positioned under the Human Resources Department, which reports directly to the General Manager.

The OHS Committees handle topics such as employee participation in occupational health and safety processes, reducing risks, and improving performance. There are five OHS Committees active in Otokar locations. These committees consist of 40 members in total, including 14 who are direct employee representatives. Pursuant to the Occupational Health and Safety Law, union representatives are also appointed as employee representatives. At the regular OHS Committee Meetings, workplace accident indicators are evaluated, the root causes of the workplace accidents are analyzed, the implemented measures taken are discussed, and union representatives directly express their opinions and suggestions. OHS Committees of the subcontractors function similarly. In 2022, OHS Committees held 18 meetings and Subcontractor OHS Committees six meetings.

Monthly and annual OHS targets are set and work programs are scheduled for individual employees and units to mitigate OHS risks and enhance performance. Furthermore, OHS performance results are reported to the relevant units

every month, addressed at the annual management review meetings, and also shared with senior management.

At Otokar, which has a high unionization ratio, the terms and conditions of the Collective Bargaining Agreement signed between Türk Metal and MESS apply to the employee-employer relations. Occupational health and safety provisions in the Collective Bargaining Agreement contain provisions similar to the requirements of the Occupational Health and Safety Legislation. The Collective Labor Agreement specify the course of action when occupational health and safety guidelines are not followed in the workplace. At Otokar, the disciplinary actions regarding occupational health and safety are imposed in accordance with the provisions of the Collective Labor Agreement.

Otokar provides OHS training for both company employees and subcontractor employees to improve occupational health and safety performance. In 2022, 3,280 Otokar employees took a total of 40,092 person\*hours of OHS training and 15 subcontractor employees received 60 person\*hours of OHS training. Otokar has not had any fatal workplace accidents since 2012. Furthermore, no occupational diseases were recorded during the reporting period, while the injury rate was 1.08.

The employees communicate their opinions and suggestions regarding occupational health and safety and the hazardous situations they detect to the relevant managers via the intranet. All notifications are addressed by the relevant officials. Notifications communicated via the risk information system are forwarded directly to the Occupational Health and Safety Experts, who then take the necessary precautions.

## OHS SPECIAL AWARD

Otokar was recognized with the OHS Special Award in the “Companies with 1,500+ Employees” category in the MESS Stars of Occupational Safety competition.

## OHS CULTURE SURVEY

Otokar conducted an OHS Culture survey in 2022 and the results were analyzed together with the Otosafety Agile team.

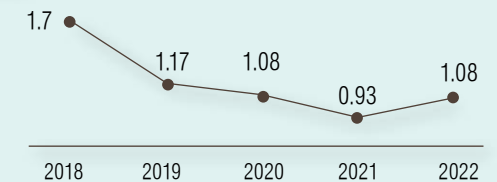
## OHS THEATER

A theater play titled “Peace at Home, Safety at Work” was staged for the employees and their families to promote the OHS culture and raise awareness.

## IN 2022

**420** field screenings and **18,401** visits to the physician took place.

### INJURY RATE



Please click to access Otokar Occupational Health and Safety Policy.

An aerial photograph of a coastal landscape. On the left, there is a vibrant turquoise sea with white foam from waves crashing against a rocky shore. A narrow strip of land with green vegetation separates the sea from a paved road that runs vertically through the center of the image. To the right of the road is a dense, lush green forest. The overall scene is bright and clear, suggesting a sunny day.

## INNOVATIVE SOLUTIONS TO TACKLE CLIMATE CHANGE

**OTOKAR MANAGES THE CLIMATE AND ENVIRONMENTAL IMPACTS OF ITS OPERATIONS IN CONFORMITY WITH THE APPLICABLE LEGAL REQUIREMENTS AND INTERNATIONAL STANDARDS, AND MONITORS STAKEHOLDER EXPECTATIONS AND GLOBALLY RECOGNIZED BEST PRACTICES CLOSELY TO IMPROVE ITS CLIMATE AND ENVIRONMENTAL PERFORMANCE. OTOKAR ALSO AIMS TO GENERATE INNOVATIVE SOLUTIONS FOR TACKLING CLIMATE CHANGE THROUGH BUSINESS PROCESSES AND PRODUCTS.**



## Tackling Climate Change

Activities to tackle climate change are carried out in accordance with Otokar's Environmental Policy, Energy Policy, and R&D Strategy, which are in alignment with Koç Group Climate Change Strategy and Koç Group Climate Change Management model. The Board of Directors is the highest governing body responsible for determining the strategies to address climate change. The General Manager is tasked with ensuring that the strategies related to climate change are implemented in accordance with corporate policies and the applicable laws and regulations. The senior management regularly evaluates the operational departments' activities, starting with the efforts to limit energy consumption and greenhouse gas emissions, and the performance results achieved toward the targets.

Climate change topics are managed with an approach that considers the risk and opportunity analyses based on TCFD (Task Force on Climate-related Financial Disclosures). In addition to the operational processes, the product and service strategies are also addressed from the perspective of transitioning to a low carbon economy, and actions are determined to reduce climate impact.

Otokar carries out its activities in line with Koç Holding's Carbon Transition Program and 2050 net zero target. With the European Green Deal regulations, introduced by the European Union, set to impose carbon border taxes soon, the developments are followed closely for their potential effects, and actions are planned toward a low carbon economy.

Accordingly, Otokar focuses primarily on green transportation solutions by transforming its products to meet the expectations of investors and consumers. In addition to projects for developing electric and alternative fuel vehicles, Otokar also invests in technologies that reduce greenhouse gas emissions in production.



## Environmental Management

Otokar's Environmental Policy lays out the principles for managing environmental topics. The Policy includes corporate commitments regarding environmental protection, efficient use of natural resources, compliance with laws and regulations, introducing enhancements to reduce environmental impacts, and implementing systems and processes for environmental audits. Environmental management processes are designed according to the 14001 Environmental Management System, and system reliability is certified by periodic external audits.

Otokar Board of Directors determines the environmental management strategies and oversees the related activities. The General Manager is responsible for ensuring that the corporate policies and strategies are properly implemented. Environmental management practices are carried out by the Environmental Management Unit, which is led by the Production and Supply Group Director and the Facility Maintenance and Investment Manager.

As a Koç Group company, Otokar participates in the monthly Koç Group Environmental Committee meetings, shares its best practices in alignment with Koç Group's environmental strategies, and introduces enhancements based on the learnings from other Group companies. Otokar is also a member of the Environmental Working Groups of OSD and TÜSİAD, contributing to the improvement of environmental management practices in the industry and the business world in general. In 2022, Otokar's spending on environmental

management and investment expenditures for implementing environmental management processes and improving its performance amounted to TL 3.4 million.

Otokar's operations are subjected to various audits and inspections regarding their environmental impacts. In addition to internal audits, the company is also audited annually by Koç Holding Audit Group. Furthermore, independent external audits are conducted regarding compliance with environmental standards. Otokar, which is also audited by the Turkish Ministry of Environment, Urbanization and Climate Change, submits performance reports to the Ministry on greenhouse gas emissions, VOC emissions, wastewater, and hazardous and non-hazardous waste. During the reporting period, there were no complaints received or environmental fines imposed due to the company's environmental impact.

At Otokar, environmental impacts are monitored within the scope of corporate risk management. The risks identified in this area are analyzed and the environmental impacts are recorded in the Environmental Impact Register. Mitigating these risks and improving environmental performance are essential. The Environmental Impact Register is updated when changes occur in the environmental risks. Annual and five-year targets for environmental performance are set in accordance with the Otokar Management Systems Procedure for Determining Environmental Objectives, Targets and Management Programs, and progress is tracked.



[Please click to access Otokar Environmental Policy.](#)

[Please click to access Otokar Energy Policy.](#)



## Environmental Management

The environmental targets are included in the personal performance assessment and compensation system as well. The environmental performance of the employees is evaluated and tracked with scorecards. And the results of the evaluations are reported to the General Manager and the Board of Directors.

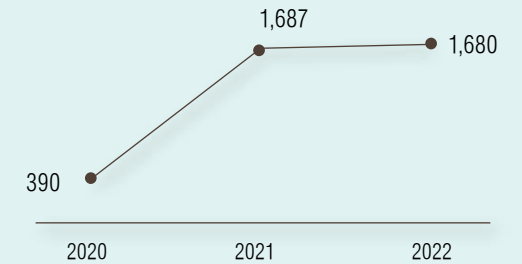
Training activities are organized to ensure that the employees are well-informed and aware about environmental management. In 2022, Otokar employees received 1,680 person\*hours of environmental training.

The environmental management activities and their results are communicated to the stakeholders through sustainability

reports and annual reports, Koç Holding reports, Otokar Hattı blog, This Month at Otokar newsletter, Otokar OHS newsletter, training programs for the supply industry, and environmental information documents.

Otokar expects its suppliers and business partners to adopt the same environmental management approach. In supplier selection, factors such as the suppliers' compliance with environmental standards and their environmental management criteria are taken into consideration. Supplier audits and assessments are conducted to monitor their environmental performance. In the event that development areas are identified as a result of these audits, improvement plans are created and the progress in implementation is monitored.

**ENVIRONMENTAL TRAINING** (Person\*Hours)



## Energy Efficiency in Production

Energy consumption and greenhouse gas emissions are monitored as key performance indicators, and efficiency projects are implemented to reduce them. During the reporting period, greenhouse gas emission calculations and assurances were performed regarding Scope 1, Scope 2 and Scope 3 emissions in accordance with the ISO 14064 - 1:2006 Standard, GHG Protocol, and IPCC 2006 Tier 1 methods. Furthermore, target modeling and feasibility studies were carried out for Scope 1 and Scope 2 emissions.

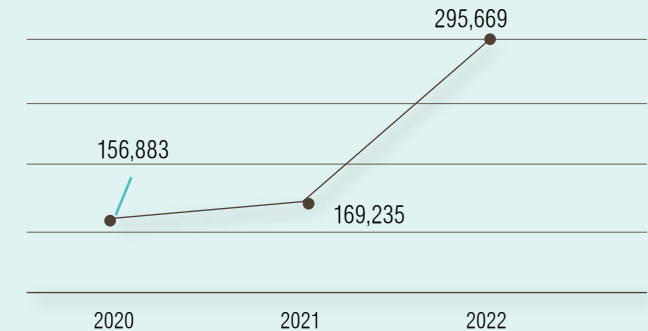
Aiming to reduce the energy consumption and carbon emissions of the domestic wastewater treatment plant, Otokar launched a pilot project in 2022 and started to generate electricity from solar panels with an installed capacity of 12.6 kWh. After achieving successful results, a solar power plant (SPP) with an installed capacity of 800 kWh was built. The SPP will be commissioned in early 2023.

During the reporting period, Otokar's operations consumed a total of 216,223 GJ of direct and 79,152 GJ of indirect energy, while generating 294 GJ of solar energy. This consumption resulted in 20,001 tons of CO<sub>2</sub>e emissions, including 10,298 tons of direct CO<sub>2</sub>e and 9,703 tons of indirect CO<sub>2</sub>e. Efficiency efforts introduced during the year delivered 14,170 GJ in energy savings and 695 tons in CO<sub>2</sub>e emission savings.

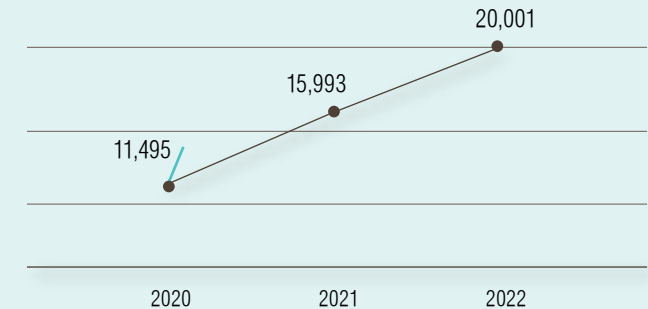
In the reporting period, more than 3,000 lighting fixtures at the Arifiye plant were replaced with LEDs. This conversion delivered an annual reduction of 1,104,884 kWh of energy and 480 tons of CO<sub>2</sub>e greenhouse gas emissions. Retrofitting the boilers with economizers resulted in an annual reduction of 251,833 kWh of energy and 110 tons of CO<sub>2</sub>e greenhouse gas emissions. And the compressor enhancements during the year reduced energy consumption by 51,600 kWh and CO<sub>2</sub>e greenhouse gas emissions by 22 tons.

In addition to addressing greenhouse gas emissions, efforts are also made to reduce air emissions. For this purpose, volatile organic compounds generated by the drying ovens of the Cataphoresis Plant are re-burned to reduce emissions by 95%.

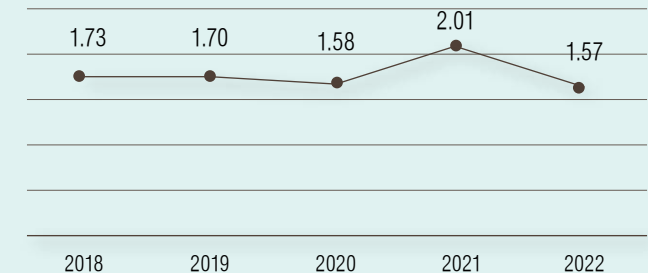
**ENERGY  
CONSUMPTION**  
(GJ)



**GREENHOUSE  
GAS EMISSIONS**  
(Tons CO<sub>2</sub>e)



**GREENHOUSE  
GAS EMISSIONS**  
(Tons CO<sub>2</sub>e / Unit)





## Zero Waste Approach

In line with its environmental policy and zero waste target, Otokar aims to minimize waste generation during production and to recover and reuse the waste at the highest rate possible. All hazardous and non-hazardous waste generated at the plant is managed with the zero waste principle. After the waste materials are sorted, they are designated as solid-liquid, recycling, temporary storage, and disposal. The waste materials sorted for recycling are further separated depending on whether they can be directly recycled or reused as fuel, and shipped out of the plant according to their designations. All electronic waste generated during production is recovered through licensed companies. Furthermore, specific locations have been designated for the employees to drop their personal electronic waste. All the procedures have been completed for planting trees using the proceeds from the recovery of these waste materials. In 2022, Otokar's production operations generated 7,077 tons of waste in total, and 99% of this waste was recovered.

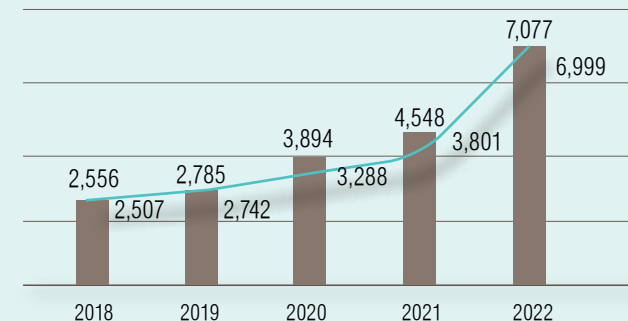
Otokar carries out reuse and recycling activities to use water more efficiently. During the year, 150,500 m<sup>3</sup> of water was reused in production through recycling and recovery applications. Otokar has five wastewater treatment plants, including two for domestic water and three for industrial water. Wastewater generated during production is treated at these plants in accordance with Otokar's Environmental Policy, environmental management systems, and applicable laws and regulations. After the pollution load index is reduced to the values specified in the discharge permits, the water is delivered to the discharge points. In 2022, a total of 157,000 m<sup>3</sup> of wastewater was released to the wastewater network and the natural receiving environments.

In 2022, efforts were made to improve rainwater harvesting to use more recycled water in production. Accordingly, the roofs of two separate buildings were retrofitted to enable rainwater collection.

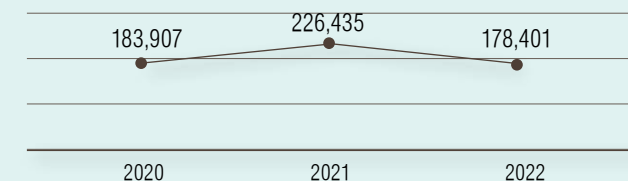


### WASTE QUANTITY (Tons)

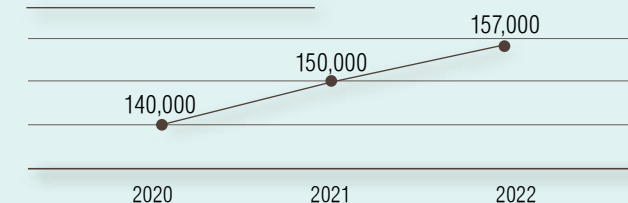
■ Total Waste — Recycled Waste



### WATER CONSUMPTION (m<sup>3</sup>)



### DISCHARGED WASTEWATER (m<sup>3</sup>)



## SUPPORTING AND ADVANCING SOCIETY

**OTOKAR AIMS TO SUPPORT THE DEVELOPMENT AND WELFARE OF ITS COMMUNITIES, DRAWING FROM THE PRINCIPLE OF THE LATE VEHBİ KOÇ, THE FOUNDER OF KOÇ HOLDING, WHO SAID, 'I EXIST IF MY COUNTRY EXISTS'. ADOPTING A RESPONSIBLE CORPORATE CITIZENSHIP APPROACH, OTOCAR ALSO CONTRIBUTES TO THE SOCIAL, ENVIRONMENTAL AND ECONOMIC DEVELOPMENT OF SOCIETY IN LINE WITH THE SUSTAINABLE DEVELOPMENT GOALS. ALL THE ACTIVITIES CARRIED OUT FOR THESE PURPOSES ARE GUIDED BY THE PRINCIPLES DEFINED IN OTOCAR SOCIAL INVESTMENT POLICY, WHICH FORMS AN INTEGRAL PART OF OTOCAR'S CODE OF ETHICS.**



## I Design the Future for My Country

Otokar supports the For My Country project, which has been ongoing for many years with a focus on various themes in different periods with the overarching objective of spreading the concept of social responsibility wider across Koç Group companies, employees, dealers and suppliers, developing a more participatory attitude toward social issues, and launching projects to elevate the living standards by contributing to local development. As part of the current I Design the Future for My Country project, various awareness-raising and training activities were carried out in the reporting period to draw attention to the intersections of rapid technological advancements with people's daily lives.



## Supporting Disaster Recovery Efforts

Shortly after the end of the reporting period, the February 2023 earthquakes, with Kahramanmaraş at the epicenter, hit a wide region and devastated many provinces, causing major loss of life and indescribable grief across the whole country. Upon receiving the news of the earthquake, Otokar immediately took action to support the recovery efforts in the affected region in coordination with the Koç Group crisis center and AFAD.

As the topmost priority, Otokar Natural Disaster Search and Rescue (ODAK) team, which was formed many years ago and currently consists of trained volunteering employees, was quickly mobilized and reached the disaster region within the first 24 hours to support the search and rescue efforts on the ground. The team rescued four earthquake victims in Hatay and

Gaziantep, giving hope amidst the devastating news coming from the affected region. Driven by this motivation, Otokar accelerated its support efforts and delivered all kinds of essential supplies to the earthquake zone. Otokar employees provided seamless repair services for the Otokar-branded government vehicles and public transportation vehicles to ensure that transportation could be maintained without interruption in disaster conditions. A Mobile Kitchen, converted from a bus, served hot meals. Furthermore, volunteering employees of Otokar supported the relocation of many families to Umut Kent, a tent city built by Koç Holding. Meanwhile, the field employees at the plant donated to Turkish Red Crescent's blood drive. Otokar will continue to support the recovery efforts in the earthquake region and stand by the people as they heal from the disaster.





## KEY PERFORMANCE INDICATORS

<b>Environmental Performance Indicators</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Total energy consumption (GJ)	192,077	216,473	209,001	231,607	295,669
Total direct energy consumption (GJ) by resource	137,033	158,992	156,184	169,235	216,223
<i>Fuels</i>	137,033	158,992	156,184	169,235	216,223
Total indirect energy consumption (GJ) by resource	55,044	57,481	52,817	62,372	79,446
<i>Renewable electricity</i>	240	240	240	240	294
<i>Conventional electricity</i>	54,804	57,241	52,577	62,132	79,152
Energy consumption per unit (GJ/unit)	19.60	7.62	7.23	8.14	6.22
Energy savings (GJ)	559	1,469	1,526	2,463	14,170
Total greenhouse gas emissions (Tons CO2e)	11,968	12,790	11,495	15,993	20,001
<i>Direct (Scope1)</i>	4,660	5,157	4,952	7,910	10,298
<i>Indirect (Scope2)</i>	7,308	7,633	6,543	8,083	9,703
Greenhouse gas emission reduction (Tons CO2e)	44	259	300	319	695
Greenhouse gas emissions per unit (Tons CO2e/unit)	1.73	1.70	1.58	2.01	1.57
Total water withdrawal (m3)	155,496	152,058	183,907	226,435	178,401
<i>Ground water</i>	85,505	77,484	114,270	135,652	80,632
<i>Municipal water</i>	68,431	73,154	68,537	90,783	97,769
<i>Rain water</i>	1,560	1,420	1,100	0	0
Fresh water consumption per unit (m3/unit)	23	20.25	25.32	29.33	14.00
Recovered or reused water (m3)	150,417	150,350	150,500	150,500	150,500
Discharged wastewater (m3)	148,400	119,000	140,000	150,000	157,000
<i>Wastewater receiving channel</i>	84,300	71,200	85,000	100,000	92,000
<i>Natural receiving environment</i>	64,100	47,800	55,000	50,000	65,000
Total hazardous waste quantity by disposal method (tons)	375.1	387.1	300.5	451.1	429.5
<i>Recovery</i>	375	387	300.5	451	423.3
<i>Disposal</i>	0.1	0.1	0.1	0.1	6.2
Total non-hazardous waste quantity by disposal method (tons)	2,556	2,785	3,932	4,543	4,588.5
<i>Recovery</i>	2,507	2,742	3,288	3,801	4,516.8
<i>Disposal</i>	49	43	644	742	71.7
Environmental training for employees - participation (people)	920	270	283	444	1,600
<i>Direct employees</i>	320	150	150	419	1,600
<i>Subcontractor employees</i>	300	20	25	25	
<i>For social responsibility purposes</i>	300	100	-	-	-
Environmental training for employees - total time (personxhours)	1,040	390	312	1,687	1,680
<i>Direct employees</i>	340	300	-	1,637	1,680
<i>Subcontractor employees</i>	400	40	-	50	
<i>For social responsibility purposes</i>	300	50	-	-	-

## KEY PERFORMANCE INDICATORS

<b>Social-Economic Performance Indicators</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Total production (units)	2,518	1,839	1,965	2,255	3,677
Sales (units)	1,966	1,957	1,973	2,359	3,469
Export revenues (USD)	211,073,082	339,696,526	307,277,025	345,258,851	403,543,672
Capacity utilization rate (%)	19	14	15	23	38
Corporate Governance Rating (%)	93.51	94.02	94.67	95.53	95.60
Ratio of R&D spending to total revenues (%)	33.4	5.6	6.9	6.7	6.0
R&D employees (people)	422	433	518	574	596
Total R&D spending (TL million)	106	23	202	300	509
Net revenues from all newly developed products and services (TL)	3,174,236,801	2,123,363,145	-	-	7,307,035,257
Share of Otokar-designed vehicles in revenues (%)	99	98	98	97	96
Employee training programs - participants (people)	1,768	1,944	4,753	8,316	4,135
<i>Field employees</i>	1,180	1,292	2,677	4,494	3,180
<i>Office employees</i>	588	652	2,076	3,822	955
<i>Female</i>	100	122	388	811	194
<i>Male</i>	1,668	1,822	4,365	7,505	3,941
Employee training programs - total time (personxhours)	49,408	43,756	24,336	45,572	95,390
<i>Field employees</i>	18,724	16,858	9,100	9,922	61,054
<i>Office employees</i>	30,684	26,898	15,236	35,650	34,336
<i>Female</i>	5,935	5,319	2,725	6,522	6,447
<i>Male</i>	43,473	38,437	21,612	39,050	27,889
Training and development budget (TL)	1,799,835	2,414,270	1,804,657	4,952,609	8,985,597
Subcontractor employee training programs - participants (people)	159	130	45	1,942	407
Subcontractor employee training programs - total time (personxhours)	644	1,300	-	5,548	4,884
OHS training - participants (people)	1,748	1,473	2,144	3,592	3,295
<i>Direct employees</i>	1,589	1,343	2,099	2,010	3,280
<i>Subcontractor employees</i>	159	130	45	1,942	15
OHS training - total time (personxhours)	19,712	17,416	15,037	12,862	40,152
<i>Direct employees</i>	19,068	16,116	15,037	7,314	40,092
<i>Subcontractor employees</i>	644	1,300	-	5,548	60



Social-Economic Performance Indicators	2018	2019	2020	2021	2022
Injury rate					
Direct employees	1.7	1.17	1.08	1	1.08
Female	0.0	0	0	0	0
Male	1.7	1.17	1.08	1	1.14
Subcontractor employees					
Female	0.0	0	0	0	0
Male	0.0	0	0	0	0
Total					
Female	0.0	0	0	0	0
Male	1.8	1.25	1.14	1	0.91
Workplace accidents					
Direct employees					
Female	0	0	0	0	0
Male	36	24	22	21	37
Subcontractor employees					
Female	0	0	0	0	0
Male	0	0	0	0	0
Total					
Female	0	0	0	0	0
Male	36	24	22	21	37
Lost day rate					
Direct employees	21	14	17	14	18.68
Female	0	0	0	0	0
Male	23	15	18	15	19.68
Subcontractor employees					
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	21	14	17	14	15.71
Female	0	0	0	0	0
Male	23	15	18	15	16.42
Lost days					
Direct employees					
Female	0	0	0	0	0
Male	466	290	352	311	640

Subcontractor employees					
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	466	290	352	311	640
Female	0	0	0	0	0
Male	466	290	352	311	640
Occupational disease rate					
Direct employees	0	0	0.05	0	0
Female	0	0	0	0	0
Male	0	0	0.05	0	0
Subcontractor employees					
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0.097	0	0
Female	0	0	0	0	0
Male	0	0	0.103	0	0
Occupational disease incidents					
Direct employees	0	0	1	0	0
Female	0	0	0	0	0
Male	0	0	1	0	0
Subcontractor employees	0	0	0	0	0
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	1	0	0
Female	0	0	0	0	0
Male	0	0	1	0	0
Fatal workplace incidents	0	0	0	0	0
Direct employees	0	0	0	0	0
Female	0	0	0	0	0
Male	0	0	0	0	0
Subcontractor employees	0	0	0	0	0
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Female	0	0	0	0	0
Male	0	0	0	0	0

<b>Social-Economic Performance Indicators</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
OHS committees	4	3	3	4	5
Total OHS committee members	39	30	30	36	40
Total employee representatives in OHS committees	10	9	9	12	14
Field inspections (total)	150	180	180	300	420
Visits to workplace physician (total visits)	14,456	13,836	13,509	12,831	18,401
Disaster response training					
<i>Participants (people)</i>	26	35	49	83	94
<i>Training time (person*hours)</i>	248	245	381	755	1,312
Disaster response drills	4	3	3	4	5
"Gender pay gap (in favor of female employees by median salary)"					
<i>Field employees</i>	-1,3%	-1,7%	-0,9%	-1,2%	5,0%
<i>Office employees</i>	-11,9%	-12,5%	-10,1%	-7,6%	-7,0%
Ratio of lowest employee salary to minimum wage by gender (%)					
<i>Female</i>	149,63%	160,79%	155,88%	168,77%	126,49%
<i>Male</i>	134,47%	132,33%	132,44%	168,77%	125,87%
Employees/managers who received training on prevention of harassment, mobbing, ill-treatment and violence	-	6	-	6	22
<i>Managers</i>	-	1	-	1	0
<i>Non-managers</i>	-	5	-	5	22
Employee satisfaction rate (%)	57,3%	84,1%	75,1%	86,6%	73,2%
Private pension plans for the employees					
<i>Participating employees (people)</i>	1,951	1,847	1,868	2,010	2,271
<i>Total participation amount paid (TL)</i>	6,425,463	7,481,626	6,861,682	11,375,081	23,268,734
<i>Total employer contribution (TL)</i>	6,409,703	7,428,133	6,802,900	11,281,344	22,834,165
Union strikes	0	0	0	0	0
Days lost to strikes	0	0	0	0	0
Days lost to strikes	0	0	0	0	0
<i>Suggestion system</i>					
<i>Employees who submitted suggestions (people)</i>	-	794	919	1,015	1,241
<i>Employee suggestions</i>	-	1,957	2,687	3,060	3,159
<i>Implemented suggestions</i>	-	750	1,328	1,486	1,749
<i>Financial gains from suggestions (TL)</i>	-	-	-	6,055,270	12,317,385



## KEY PERFORMANCE INDICATORS

Employee Demographics	2018	2019	2020	2021	2022
Otokar employees	1,939	1,897	2,198	2,221	3,234
Female	108	117	126	146	163
Male	1,831	1,780	2,072	2,075	3,071
Subcontractor employees	205	226	240	255	753
Female	31	32	36	33	87
Male	174	194	204	222	666
Employees by type of employment contract					
Employees on indefinite term contracts	1,903	1,872	1,985	2,133	2,878
Female	107	117	126	144	162
Male	1,796	1,755	1,859	1,989	2,716
Employees on provisional contracts	36	25	213	84	356
Female	1	0	0	2	1
Male	35	25	213	82	355
Employees by type of work					
Hourly-paid employees	1,332	1,259	1,511	1,495	2,418
Female	18	18	17	17	16
Male	1,314	1,241	1,494	1,478	2,402
Monthly-paid employees	607	638	687	726	816
Female	90	99	109	129	147
Male	517	539	578	597	669
Total workforce by education level (employees)					
No education	0	0	0	0	0
Elementary school	445	398	459	402	551
High school	674	638	788	818	1,445
University or higher	820	861	951	1,001	1,238
Total employees by age groups					
18-30	425	354	524	531	1,095
31-50	1,437	1,443	1,533	1,545	2,004
50+	77	100	141	145	135
Disabled employees	57	57	75	65	85
Female	4	3	3	3	5
Male	53	54	72	62	80

Employee Demographics	2018	2019	2020	2021	2022
Senior management (executives)	7	5	5	6	8
Female	1	1	1	1	1
Male	6	4	4	5	7
Mid-level management (managers)		112	127	136	147
Female	2	8	8	10	10
Male	96	104	119	126	137
Unionized workforce (employees)	1,332	1,259	1,511	1,495	2,418
New hires (employees)	109	295	526		
Female	10	19	15	30	43
Male	99	276	552	372	2,029
Employees who left the company	292	305	104		
Female	7	10	7	10	27
Male	285	295	260	369	1,029
Employee turnover (%)					
Female	8%	9%	6%	7%	18%
Male	17%	13%	5%	12%	13%
Female employees taking maternity leave	5	8	4	6	9
Female employees returning after maternity leave	7	1	6	3	2
Employees who remained in the organization for the last 12 months after returning from maternity leave	10	8	6	4	6
Female employees using their rights to part-time work after maternity leave	0	0	1	0	0
Female employees working fewer hours after exhausting all maternity leave-related rights	1	0	1	0	0
Facilities with nursing rooms	1	1	1	1	1
Employees receiving childcare/elderly care allowance	-	-	-	35	33
Ratio of female employees in revenue-generating roles (%)	20,4%	21,0%	18,4%	18,2%	19,4%
Ratio of female employees in IT roles (%)	35,3%	30,0%	26,1%	25,9%	22,2%
Ratio of employees in engineering roles (%)	14,5%	14,5%	15,5%	18,6%	18,1%

<b>Employee Demographics</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Ratio of female candidates interviewed for a job (%)	25%	16%	30%	22%	17%
Ratio of female employees who received a promotion within the reporting period (%)	12%	9%	15%	17%	18%
Ratio of female employees who were promoted to a management role for the first time within the reporting period (%)	15%	11%	10%	15%	18%
Average length of time employees work in the same position (waiting for promotion) (years)	3.36	2.44	2.63	3.20	2.77
<i>Female</i>	1.78	3.00	2.58	3.20	2.36
<i>Male</i>	3.54	2.39	2.63	2.76	2.82
Ratio of employees shortlisted in the promotion process					
<i>Female</i>	0%	0%	0%	0%	0%
<i>Male</i>	0%	0%	0%	0%	0%
Ratio of employees shortlisted in the new recruitment process					
<i>Female</i>	39%	14%	22%	23%	20%
<i>Male</i>	61%	86%	78%	77%	80%
Ratio of female employees in the highest paid 10% (%)	10%	9%	6%	5%	7%
Ratio of female employees in the highest paid 25% (%)	18%	8%	9%	8%	9%
Ratio of female employees in the high-medium pay range (%)	10%	12%	13%	14%	18%
Ratio of female employees in the medium - lowest 25% pay range (%)	11%	16%	19%	23%	21%
Ratio of female employees in the lowest 25% pay range (%)	20%	27%	23%	27%	25%





## GRI CONTENT INDEX

STATEMENT OF USE	Otokar Otomotiv ve Savunma Sanayi A.Ş., has reported in accordance with the GRI Standards for the period 1 January 2022 - 31 December 2022.				
GRI 1 USED	GRI 1: Foundation 2021				
APPLICABLE GRI SECTOR STANDARD(S)	-				
GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report (p. 1)			
	2-2 Entities included in the organization's sustainability reporting	About the Report (p. 1)			
	2-2 Entities included in the organization's sustainability reporting	About the Report (p. 1)			
	2-4 Restatements of information	There is no restated information in the report.			
	2-5 External assurance	Legal Disclaimer (p. 53)			
	2-6 Activities, value chain and other business relationships	https://commercial.otokar.com.tr/en			
		https://defense.otokar.com.tr/en			
	2-7 Employees	Employee Demographics (p. 47)			
	2-8 Workers who are not employees	Employee Demographics (p. 47)			
	2-9 Governance structure and composition	Corporate Governance and Board Structure (p. 9)			
	2-10 Nomination and selection of the highest governance body	Corporate Governance and Board Structure (p. 9)			
	2-11 Chair of the highest governance body	Corporate Governance and Board Structure (p. 9)			
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance and Board Structure (p. 9)			
	2-13 Delegation of responsibility for managing impacts	Sustainability Management (p. 12)			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management (p. 12)			
	2-15 Conflicts of interest	Otokar Annual Report 2022 (p. 67)			
	2-16 Communication of critical concerns	Corporate Governance and Board Structure (p. 9); Sustainability Management (p. 12)			
	2-17 Collective knowledge of the highest governance body	Corporate Governance and Board Structure (p. 9)			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance and Board Structure (p. 9)			
	2-19 Remuneration policies	Otokar Annual Report 2022 (p. 36)			
	2-20 Process to determine remuneration	Otokar Annual Report 2022 (p. 36)			
	2-21 Annual total compensation ratio	No disclosure is made due to the principle of confidentiality.			
	2-22 Statement on sustainable development strategy	Sustainability Management (p. 12); Otokar Sustainability Model (p. 13)			
	2-23 Policy commitments	Sustainability Management (p. 12)			
	2-24 Embedding policy commitments	Sustainability Management (p. 12); Otokar Sustainability Model (p. 13)			
	2-25 Processes to remediate negative impacts	Business Ethics and Anti-corruption (p. 11); Stakeholder Engagement (p. 14)			
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics and Anti-corruption (p. 11); Stakeholder Engagement (p. 14)			
	2-27 Compliance with laws and regulations	Legal Compliance (p. 10)			
	2-28 Membership associations	Memberships and Organizations (p. 14)			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement (p. 14)			
2-30 Collective bargaining agreements	Employee Demographics (p. 48)				

MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Otokar Sustainability Model (p. 13)			
	3-2 List of material topics	Otokar Sustainability Model (p. 13)			
CONTINUOUS SUSTAINABLE DEVELOPMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	Continuous Sustainable Development (p. 15-20); Supporting and Advancing Society (p. 40-42)			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Supporting and Advancing Society (p. 40-42)			
	203-2 Significant indirect economic impacts	Consistent Growth (p. 16); R&D and Innovation (p. 17); Product Quality and Responsibility (p. 18)			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Minimizing the Impact of Supply and Value Chains (p. 20)			
INNOVATIVE SOLUTIONS TO TACKLE CLIMATE CHANGE					
	DISCLOSURE	LOCATION			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management (p. 12); Otokar Sustainability Model (p. 13); Innovative Solutions to Tackle Climate Change (p. 34-39)			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Efficiency in Production (p. 38); Environmental Performance Indicators (p. 43)			
	302-3 Energy intensity	Energy Efficiency in Production (p. 38); Environmental Performance Indicators (p. 43)			
	302-4 Reduction of energy consumption	Energy Efficiency in Production (p. 38); Environmental Performance Indicators (p. 43)			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Zero Waste Approach (p. 39); Environmental Performance Indicators (p. 43)			
	303-2 Management of water discharge-related impacts	Zero Waste Approach (p. 39); Environmental Performance Indicators (p. 43)			
	303-3 Water withdrawal	Zero Waste Approach (p. 39); Environmental Performance Indicators (p. 43)			
	303-4 Water discharge	Zero Waste Approach (p. 39); Environmental Performance Indicators (p. 43)			
	303-5 Water consumption	Zero Waste Approach (p. 39); Environmental Performance Indicators (p. 43)			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy Efficiency in Production (p. 38); Environmental Performance Indicators (p. 43)			
	305-2 Energy indirect (Scope 2) GHG emissions	Energy Efficiency in Production (p. 38); Environmental Performance Indicators (p. 43)			
	305-4 GHG emissions intensity	Energy Efficiency in Production (p. 38); Environmental Performance Indicators (p. 43)			
	305-5 Reduction of GHG emissions	Energy Efficiency in Production (p. 38); Environmental Performance Indicators (p. 43)			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Zero Waste Approach (p. 39); Environmental Performance Indicators (p. 43)			
	306-2 Management of significant waste-related impacts	Zero Waste Approach (p. 39); Environmental Performance Indicators (p. 43)			
	306-3 Waste generated	Zero Waste Approach (p. 39); Environmental Performance Indicators (p. 43)			
	306-4 Waste diverted from disposal	Zero Waste Approach (p. 39); Environmental Performance Indicators (p. 43)			
EMPLOYEE SATISFACTION					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management (p. 12); Otokar Sustainability Model (p. 13); Employee Satisfaction (p. 28-33)			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Demographics (p. 48)			
	401-3 Parental leave	Employee Demographics (p. 48)			

EMPLOYEE SATISFACTION					
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Occupational Health and Safety (p. 33)			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety (p. 33)			
	403-5 Worker training on occupational health and safety	Occupational Health and Safety (p. 33); Social-Economic Performance Indicators (p. 44)			
	403-6 Promotion of worker health	Occupational Health and Safety (p. 33)			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety (p. 33)			
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety (p. 33)			
	403-9 Work-related injuries	Social-Economic Performance Indicators (p. 45)			
	403-10 Work-related ill health	Social-Economic Performance Indicators (p. 45)			
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Employee Development (p. 32); Social-Economic Performance Indicators (p. 44)			
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Corporate Governance and Board Structure (p. 9); Employee Demographics (p. 48)			
<b>GRI 408: Child Labor 2016</b>	Operations and suppliers at significant risk for incidents of child labor	During the reporting period, no risk of child labour was observed in Otokar operations. The same principle was also taken into consideration in the supplier audit process and no risk element was found.			
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	During the reporting period, no risk of forced and compulsory labour was observed in Otokar operations. The same principle was also taken into consideration in the supplier audit process and no risk element was found.			
QUALITY AND SUSTAINABLE PRODUCTS					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Sustainability Management (p. 12); Otokar Sustainability Model (p. 13); Product Quality and Responsibility (p. 18); Alternative Fuel Vehicles (p. 23); Innovative Solutions to Tackle Climate Change (p. 34-35)			
<b>GRI 302: Energy 2016</b>	302-5 Reductions in energy requirements of products and services	Alternative Fuel Vehicles (p. 23); Innovative Solutions to Tackle Climate Change (p. 34-35)			
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	Product Quality and Responsibility (p. 18)			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality and Responsibility (p. 18)			
BRAND VALUE AND CUSTOMER SATISFACTION					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Sustainability Management (p. 12); Otokar Sustainability Model (p. 13); Brand Value and Customer Satisfaction (p. 25-27)			
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy (p. 27) During the reporting period, no complaints were received regarding the violation of customer confidentiality.			



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## Legal Disclamimer

Otokar 2022 Sustainability Report ("Report") was prepared by Otokar Otomotiv ve Savunma Sanayi A.Ş. ("Otokar"). All the information, opinions and assessments included in this report which do not carry the characteristics to be complete were provided by Otokar and were not verified independently for the Report. This Report was prepared only for informative purposes, and it does not aim to set basis for any investment decisions. The information on this report does not constitute a qualification of any bids for the sale of Otokar shares partly or wholly, or an invitation for such a share selling process, and publishing this Report does not imply any legal relationship in this matter. While the information and the relevant documents included in this Report are believed to be concerned with the Report's reporting period, the information is provided based on reliable sources and in good faith. However, Otokar does not provide any reassurance, undertaking or declaration regarding this information. In accordance with this, Otokar, Otokar shareholders, Otokar subsidiaries or their board members, employees or consultants cannot be held accountable for any direct or indirect loss or harm on any person or persons based on any information or communication in this Report or any information that is not featured in this report or any information based on the Report.



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