



TOFAŞ

TÜRK OTOMOBİL FABRİKASI A.Ş.

Integrated Report 2023

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About This Report

With its second integrated report, Tofaş aims to provide its stakeholders with a summary of its activities and performance in the environmental, economic and social fields. The report discusses the impact of Tofaş's global operations in 2023 within the framework of the Sustainable Development Goals, sustainability performance and targets from a holistic perspective.

Türk Otomobil Fabrikaları AŞ has reported in accordance with GRI Standards for the period from 1 January 2023 and 31 December 2023. Only the information pertaining to Tofaş is included in the report. The activities of Tofaş's shareholders Koç Fiat Kredi Finansman A.Ş. and Fer Mas Oto Ticaret A.Ş. are not included in the scope of the report.

Various environmental and social performance indicators in the report have been verified by authorised institutions. Please refer to the end of the report for details of the verification process. We would be pleased to receive your valuable opinions and suggestions on the report at sustainability@tofas.com.tr.

About Tofaş



Tofaş, one of Türkiye's leading automobile companies, was established in Bursa in 1968. Koç Holding and Stellantis hold equal shares in Tofaş. A total of 24.3% of the company's shares are publicly traded on the Borsa Istanbul BIST 30 and BIST 100 indices. Tofaş is ranked in the BIST Corporate Governance Index and Sustainability Index and also responds to the Carbon Disclosure Project (CDP) climate and water programmes.

Tofaş is headquartered in Istanbul and conducts its production activities at its Bursa factory, which is situated on an area of approximately 1 million m², 350 thousand m² of which is covered. With its large production volume, high export performance and the employment it creates, Tofaş makes significant contributions to the Turkish economy. As one of the most important production and R&D centres

of Stellantis, Tofaş also creates added value for the industrial and R&D accumulation of Türkiye. Tofaş R&D Centre, which has the know-how and competencies to develop complete vehicles from scratch, is involved in the product development processes of different models within Stellantis besides the models produced at the Tofaş Plant.

The Tofaş plant produces the Sedan, Hatchback, Station Wagon, Cross and Cross Wagon models of the Fiat Egea family. Tofaş exports more than half of the vehicles it produces to a geographically diverse range of global markets. Tofaş, which has a strong position in the domestic market with its wide brand and product portfolio in line with customer expectations, represents Fiat, Fiat Professional, Alfa Romeo, Jeep®, Maserati and Ferrari brands.

Our Vision

To be the leading automotive company that creates the best value and mobility solutions for its customers

Our Mission

To improve the quality of life by offering the most appropriate products and services for the mobility needs of the society

Tofaş at a Glance

STRONG POSITION IN THE DOMESTIC MARKET

- Leader of the Turkish automotive market for 5 consecutive years with Fiat brand
- Wide brand and product portfolio suitable for customer expectations in all segments with 5 brand representations in the Turkish market

VALUE ADDED PRODUCTION

- One of the most efficient and flexible production centres in the Stellantis ecosystem
- One of the largest R&D centres within Stellantis

HEDGED EXPORT CONTRACTS

- Euro based cost
- High export revenues
- Take-or-pay guarantee

SOUND FINANCIAL POSITION

- Increased profitability through pricing and cost discipline
- Strong balance sheet as a result of free cash flow

SHARING HIGH PROFITABILITY WITH INVESTORS

- Historically high dividend payout

About Koç Holding and Stellantis



Koç Holding

Founded in 1926, Koç Holding is one of Türkiye's largest and most successful conglomerates. It is the only Turkish company in the Fortune Global 500. It has leading positions in the energy, automotive, consumer durables and finance sectors thanks to its strong competitive advantages. Koç Group is Türkiye's largest industrial and service conglomerate with its combined revenues, exports, employment, taxes paid, total market capitalisation and share in Borsa Istanbul. It is the driving force of the Turkish economy with combined revenues of approximately 8 per cent of national income and a share of approximately 7 per cent in Turkish exports. Koç Group's business model focuses on creating sustainable value for the countries in which it operates and the world.



Stellantis

Founded with the merger of Fiat Chrysler Automobiles and PSA Group in 2021, Stellantis is one of the leading automotive companies designing, developing, manufacturing and selling vehicles and mobility solutions worldwide. Stellantis, which includes iconic brands with a long history such as Abarth, Alfa Romeo, Chrysler, Citroën, Dodge, DS Automobiles, Fiat, Jeep®, Lancia, Maserati, Opel, Peugeot, Ram, Vauxhall, Free2move and Leasys, offers different and sustainable solutions to the changing needs of customers by embracing electrification, connectivity, autonomous driving and vehicle-sharing. Stellantis, which maintains industrial operations in approximately 30 countries, operates in more than 130 markets with its products. With more than 300 thousand employees worldwide, Stellantis plays a leading role not only in the automotive industry but also in mobility solutions and technology.

Key Indicators

Tofaş maintained its leading position in the automotive sector in 2023 with sales revenues of TL 127.6 billion and a 15.7% domestic market share. While all brands represented by Tofaş strengthened their market position, Fiat extended its leadership in the total market for the 5th year in a row.

OPERATIONAL INDICATORS

	2019	2020	2021	2022	2023
Export Sales (thousand TL)	13,301,313	10,821,043	14,643,275	56,580,671	25,124,652
Domestic Sales (thousand TL)	5,355,308	12,441,509	14,264,210	64,404,976	97,507,870
Other Income (thousand TL)	240,293	294,195	776,820	3,033,409	4,968,478
Production Volume (units)	264,197	250,630	228,544	263,747	239,428
Sales (units)	311,499	259,479	234,786	270,271	261,288

88%

Share of domestic production in domestic sales

16.3%

Tofaş's share in Türkiye's total vehicle production

60,000

2023 export volume

Leader for 5 years

Fiat has been the leader in total sales of passenger cars and light commercial vehicles for 5 years

15.7% market share

Fiat brand is the leader of the Turkish automotive market for the 5th consecutive year

For the last 8 years

Fiat Egea has been Türkiye's most preferred car

100%

Waste recovery

0.310 tonnes CO₂ eq

Emissions from production per vehicle

2.61 m³

Water consumption per vehicle

FINANCIAL INDICATORS

(thousand TL)	2019	2020	2021	2022	2023
Total Assets	12,809,287	19,475,621	23,473,341	73,799,094	78,667,295
Shareholders' Equity	4,329,209	4,468,611	5,743,391	25,849,068	36,879,584
Sales Revenues	18,896,914	23,556,747	29,684,305	124,019,056	127,601,000
EBITDA	2,479,757	3,025,512	5,794,126	18,115,118	19,666,722
Profit Before Tax	1,456,555	1,830,776	3,512,216	10,778,351	18,326,525
Net Profit	1,481,639	1,784,170	3,281,316	9,374,039	15,083,439

+6.6%

Total assets increased by 6.6% to TL 78.7 billion in 2023.

+43.7%

Shareholders' equity increased by 43.7% to TL 36.9 billion in 2023.

+2.9%

Sales revenues increased by 2.9% to TL 127.6 billion in 2023.

+8.6%

EBITDA increased by 8.6% to TL 19.7 billion in 2023.

+70.0%

Profit before tax increased by 70.0% to TL 18.3 billion in 2023.

+60.7%

Net profit increased by 60.7% to TL 15.1 billion in 2023.

CEO's Assessment



At Tofaş, we are committed to continued collaboration with all our stakeholders to achieve success in the coming periods. In line with our vision of creating sustainable value and our belief in the importance of transitioning to a low-carbon economy, we will work together to drive sustainable growth.

Dear Stakeholders,

In the wake of the 6 February Kahramanmaraş earthquakes, which struck a vast swathe of our country at the start of 2023, we remain actively engaged in numerous projects, working in a spirit of solidarity to help heal the wounds caused by one of the most significant natural disasters in our recent history. We are determined to persevere in our efforts to contribute to the recovery process and enhance the quality of life of the people in the region.

Despite the global economic uncertainties and geopolitical tensions observed last year, the global automotive market continued to grow in the post-pandemic recovery process. The 13.7% growth in the overall European automotive market was particularly notable in the main markets, including Germany, France, Spain and Italy. Reduced disruptions in supply chains had a positive impact on the market.

In 2023, our Turkish automotive industry returned to pre-pandemic production levels, reaching a total of 1,468,393 units. This represents an 18% increase in automobile production and a 9% increase in total production compared to the previous year. Despite the negative impact of limited economic growth in the global economy and in European countries, which constitute our main export market, the automotive sector demonstrated resilience with a 13% growth rate and an increase of 36 billion dollars. The sector finished the year as the country's top exporter, accounting for 15.8% of total exports. Following a resurgence in 2023, Türkiye's total automobile and light commercial vehicle market grew by 57.4% year-on-year, setting a new record at 1,232,635 units.

Flexibility against market conditions and consistent success

We maintained our strong position in the Turkish automotive industry by producing 240,000 vehicles, accounting for 16.3% of total production and achieving a production share of 88% in domestic sales. We exported 60,000 of the vehicles we produced. Focusing on the development of domestic suppliers in supply chain management, we procured 75% of the parts we purchased from domestic manufacturers, with the exception of engines and transmissions.

In line with global and local market conditions, Tofaş focused on the domestic market in 2023. Accordingly, we increased our sales by 33.2% to 199.899 units and maintained our leading position with a market share of 16.2%. While our Fiat brand maintained its leadership for the fifth consecutive year, Fiat Egea continued its success as the best-selling vehicle in Türkiye for the eighth time. All our models, especially the Egea Cross, contributed significantly to our market share. We maintained our strong position in the light commercial vehicle market, with a share of 25.7%, and our Fiat Professional brand continued to be effective in the market. Thanks to our ability to respond quickly to customer requirements and our flexible supply chain management, we ended the year with successful business results.

We increased our product diversity and launched the 'Limited' special series of the Egea Sedan and Egea Cross, the new hybrid and all-electric versions of the Fiat 500 and the first all-electric model of the Jeep brand, the Avenger, in Türkiye, contributing to the increase in sustainable mobility options in our market.

As a result of all our activities, we increased our revenues by 3% year-on-year to TL 127,601 billion, EBITDA by 8.6% to TL 19.7 billion and net profit by 60.9% to TL 15.1 billion.

Significant milestones in R&D and digitalisation.

In 2023, we invested TL 1,220 million in our R&D activities, with a particular focus on the development of customer-oriented innovative solutions. These projects were undertaken by a team of over 600 employees. In 2023, we completed 21 of the 32 EU projects in which we were involved and accepted eight new projects. As a result, we currently have 19 ongoing projects. Over the past five years, we have increased the number of digitalisation projects we have carried out to over 1,700.

We expanded our strong patent portfolio with 33 new applications, reaching 237 in total. As part of our digital transformation initiatives, 154 employees led a total of 298 projects. Our digitalisation projects enabled us to optimise our operational processes and increase efficiency. These efforts have consolidated our leadership in the sector and enabled us to continue increasing the value we offer to our customers.

Our focus on sustainability has been a key factor in our success. By integrating this approach into our business model, we have created opportunities in our core areas of operation while effectively managing environmental and social risks. This has enabled us to generate sustainable value for our stakeholders. Our commitment to sustainability has been recognised by our inclusion in the BIST Sustainability Index in 2023.

Tofaş was among the companies to achieve the 'Leadership' level in the CDP 'Water Security' rating in 2023, receiving an A- rating, and our Climate Change rating was rated B.

In the January 2024 environmental, social and governance (ESG) performance assessment of publicly traded companies conducted by the International Financial Analysis and Reporting Organisation LSEG (London Stock Exchange Group), Tofaş ranked first in Türkiye and 13th in the world among 292 companies in the automotive category.

CEO's Assessment

Towards a carbon-free economy

In 2023, we accelerated our sustainability-oriented transformation and focused our efforts on sustainable production and transition strategies in line with the goal of achieving a low-carbon economy. While optimising our production processes to minimise environmental impacts, we ensured the efficient use of our resources and developed innovative solutions. During this period, we participated in the Science Based Targets Initiative, thereby demonstrating our commitment to a gradual transition to zero carbon.

The 259 energy efficiency projects implemented during the year resulted in savings of 59,698 kWh of energy and a reduction of 17,830 tonnes of CO₂. We achieved a reduction in energy consumption per vehicle from 3.19 GJ to 2.78 GJ and a corresponding decrease in emissions from 0.322 tonnes of CO₂e to 0.310 tonnes of CO₂e. By 2030, we will have made significant progress towards our goal of reducing production-related emissions by 50%. In line with our water management strategies, we have reduced our water consumption per vehicle by 4.7% to 2.61 m³, and have included approximately 60 million m³ of water in the reuse cycle with our in-plant circulation system. Furthermore, we enhanced our sustainability expertise by conducting 1,721 hours of training for 3,000 employees, aiming to elevate environmental awareness.

Employee-centred development, competence transformation

We recognise our employees as our most valuable asset and aim to optimise the contribution of each individual. We construct our working environment in accordance with the principles of respect and trust, and develop practices to ensure that it is healthy, safe and adds value to the social lives of our employees. By the end of the year, our total number of employees had reached 5,900, with a female employee ratio of 12%. In line with our commitment to gender equality, 29.8% of our new hires in 2023 were female candidates. Furthermore, the ratio of female managers in middle and senior positions increased to 14.8%.

We are committed to continuous improvement of our employee development and training programmes. In 2023, a total of 124,000 hours of training was provided to all employees. The average number of training hours per person was 52 for office employees and 5 for field employees. Furthermore, we significantly improved our occupational safety performance, reducing our lost time accident rate from 1.21 in 2022 to 0.66 in 2023.

Continuity in social investments

We continue to reach out to large segments of society with our long-term social investment programs. We provide basketball training to children affected by the earthquake at Tofaş Basketball Schools in Hope City, which were established in the earthquake zone in 2023 under the coordination of Koç Group companies and AFAD. As of 2023, 150 children have benefited from the training provided by our Tofaş Sports Club. With our Tofaş Sports Club, which has reached more than 30 thousand athletes in its half-century history and trained more than 5,200 athletes, 770 of whom are national, and more than 420 coaches, we continued to provide basketball training to thousands of children with Tofaş Basketball Schools and the New Generation Tofaş Project nationwide in 2023.

On the other hand, the Hack-Auto Women Camp, which we organized to increase the presence of women in the field of technology and innovation, was held with the participation of 2 thousand young people.

We continue our projects that create social benefit in the field of culture and arts with a long-term approach. The Tofaş Bursa Anatolian Cars Museum continues its contribution to the cultural field by hosting 1.2 million visitors in 20 years. We are very pleased to contribute to the unearthing of our history with the support we provide for the Denizli Hierapolis Ancient City excavations and the Malatya Arslantepe Mound excavation houses restoration works.

As Tofaş, we will continue to work in cooperation with all our stakeholders and achieve success together in the coming periods in line with our vision of producing sustainable value and our belief in the importance of the transition to a low-carbon economy.

We would like to express our sincere gratitude to all our stakeholders, especially our shareholders, customers, employees, dealers and suppliers, for their trust in Tofaş and their valuable efforts and contributions to our work.



Cengiz Eroldu
CEO

Awards and Recognitions in 2023

EXPORT AWARD FROM BTSO

Tofaş received the export category award at the "Adding Value to the Economy" award ceremony organised by the Bursa Chamber of Commerce and Industry (BTDO).

EXPORT CHAMPIONS WERE AWARDED

According to the "Türkiye's Top 1,000 Exporters 2022" survey conducted by TİM, Tofaş ranked 9th in the list of export champion companies in Türkiye.

PLATINUM AWARD FROM ULUDAĞ EXPORTERS' ASSOCIATION

Tofaş received the Platinum Exporter Award at the "Champions of Export Award Ceremony" organised by the Uludağ Automotive Industry Exporters' Association, where the companies with the highest exports in the automotive industry in 2022 were awarded.

TOFAŞ RANKS FIRST IN BURSA

Tofaş has been ranked first by net sales revenues in the list of the Bursa 250 Largest Companies Survey, conducted by the Bursa Chamber of Commerce and Industry for the 26th time. The survey was conducted in order to shed light on the city's economy.

SUSTAINABILITY AWARD

Tofaş received the "Sustainability in the Automotive Sector Award" at the Platin Global 100 Awards, organised by Platin Magazine and IPSOS Research and Consultancy Company.

TOFAŞ IS ONE OF THE COMPANIES WITH THE HIGHEST NUMBER OF PATENTS

Within the scope of the "R&D 250, Türkiye's Companies with the Highest R&D Expenditures" survey prepared by Turkishtime for the year 2022, Tofaş was one of the companies with the highest R&D expenditures in the general ranking and was among the companies with the highest number of patents in Türkiye with 75 patents.

TECHNOLOGY ACHIEVEMENT AWARD FROM OSD

At the OSD Achievement Awards organised by the Automotive Industry Association, Tofaş was awarded the Technology Achievement Award by being selected as the second OSD member with the highest number of patent registrations in 2022 with 71 patents.

AWARD FROM TISK COMMON FUTURES COMPETITION

Tofaş's Digital Competence and New Generation Career Management System "Compass", which brings an innovative perspective to Tofaş's competence development and career management processes, was awarded in the "Tomorrow of Our Business" category of the Common Tomorrows Competition organised by TISK.

3 AWARDS AT MESS STARS OF OCCUPATIONAL SAFETY

Tofaş was awarded in the Digital OHS category with its "Digital Maintenance Assistant" project and in the OHS Ambassadors category with its "Safe Cutter Maintenance" project in the MESS Stars of Occupational Safety competition. In addition, a special award was presented to Tofaş for its participation in the competition with continuous and distinctive practices since the first year of its organisation.

500e LAUNCH AWARD FROM FELIS AND CRYSTAL APPLE

The launch campaign of 500e, Fiat's first 100% electric car, won Felis in the Integrated (Automotive) Category of the Felis Awards and the crystal award at Crystal Apple.

AWARD FROM THE EFFICIENCY PROJECT AWARDS COMPETITION

Tofaş was awarded the second prize in the Large-Scale Enterprises Category of the Efficiency Project Awards Competition organised by the General Directorate of Strategic Research and Efficiency of the Ministry of Industry and Technology of the Republic of Türkiye with the "Optimus Digital Transformation in Production Programme" carried out as part of its digitalisation efforts.

Sustainability at Tofaş from Past to Present

2014

Formation of Tofaş Sustainability Team and Materiality Survey

CDP Climate Change Reporting

Creation of Tofaş Sustainability web page

The first automotive company in Türkiye to be included in the CDP Climate Change A list

One of the 15 companies listed in the BIST Sustainability Index

The first company to publish a sustainability report in the Turkish automotive sector

2015

First Turkish automotive company to respond to CDP Water Programme

First automotive company in Türkiye to verify Scope 3 emissions

2016

CDP Climate Change Leaders list

2017

A first of its kind in the Turkish automotive industry, the stakeholder day was organised on the topics of digitalisation, brand perception and diversity.

2018

First web-based Sustainability Report

2019

Green Purchasing Supplier Environmental Development Programme

2020

Green Logistics Roadmap

2021

Green Consensus Roadmap "Net Zero"

2022

Determination of 2030 and 2050 sustainability targets

First integrated report

2023

Participation in the Science Based Targets Initiative (SBTi)

The External Environment

AUTOMOTIVE INDUSTRY AND TOFAŞ

Global Automotive Markets and Tofaş

The year 2023 saw the continuation of the post-pandemic recovery process, although global economic uncertainties and geopolitical tensions persisted. Worldwide inflation rates remained at elevated levels, while interest rates were increased in order to contain inflation. The combination of high inflation and interest rates slowed global economic growth, while disruptions in supply chains were significantly reduced.

The European car market (European Union, United Kingdom and European Free Trade Area) increased by 13.7% compared with the previous year as supply problems improved. In terms of the main markets, Germany, France, Spain, Spain and Italy grew by 7.3%, 16.1%, 16.7% and 18.9%, respectively. In 2023, economic and geopolitical uncertainties continued to affect the automobile market, but increasing demand for electric vehicles and expanding production capacities helped the market to recover.

Turkish Automotive Market and Tofaş

The Turkish automotive market reached an all-time high in 2023, with sales of 1,232,635 units, according to data from the Automotive Distributors and Mobility Association (ODMD). This represents a 57.4% increase year-on-year. The main factors supporting vehicle demand were accumulated demand, high inflation and consumers' desire to maintain their purchasing power in a depreciating TL environment. Despite the increase in interest rates due to macro tightening measures in the last quarter of the year, demand remained robust, with an annual increase of 43% in the last quarter.

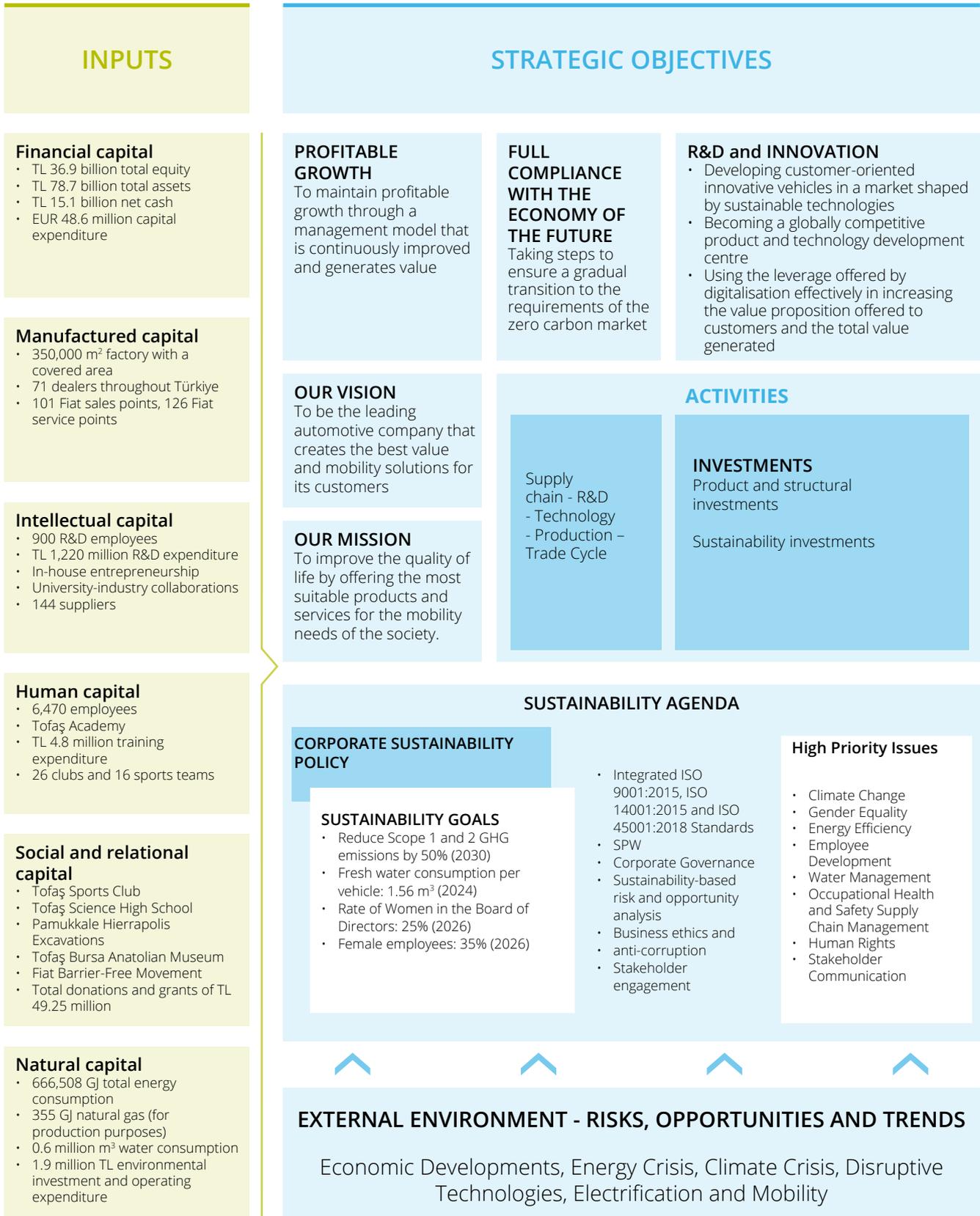
In 2023, Tofaş increased sales of the Fiat, Fiat Professional, Jeep®, Alfa Romeo, Maserati and Ferrari brands by 33.2% year-on-year, reaching a total of 199,899 units sold. In 2023, Tofaş retained its position as market leader with a market share of 16.2%.

There was a 63.2% increase in passenger car sales in 2023, with a total of 967,341 units sold. Tofaş's total domestic passenger car retail market share was 13.6%, with sales of 131,625 units. In 2023, the Fiat brand achieved a 15.7% market share with 193,622 units and maintained its position as market leader in total sales of passenger cars and light commercial vehicles. In 2023, 124,140 units were sold within the Egea family. The Fiat Egea Sedan has once again been named the best-selling vehicle in Türkiye, marking an eighth consecutive year at the top of the sales charts with a total of 80,850 units sold. The Egea Cross, Fiat Egea Hatchback and Cross Wagon models, which were launched in early 2021, continued to make a significant contribution to the total car market share.

The light vehicle commercial market demonstrated a 8.6% growth compared to 2022, reaching 190,623 units. Tofaş maintained its strong position in the light commercial vehicle market with a 25.7% market share in 2023, with its Fiat and Fiat Professional brands.

The number of Tofaş exports decreased by 50.2% compared to 2022, with a total of 60,494. Tofaş's share of Türkiye's exports was 5.8%. While automobile exports grew by 9% in 2023, light commercial vehicle exports increased by 78%. The recovery in automobile exports was driven by strong penetration in the Middle East and African markets.

Business Model





Management Approach at Tofaş

CORPORATE GOVERNANCE

As a requirement of the developments in capital markets and as a dynamic process, implementing Corporate Governance Principles is becoming critical and increasingly important for Tofaş. Tofaş complies with the Corporate Governance Principles published by the Capital Markets Board and carries out the necessary improvements and arrangements depending on the changing conditions.

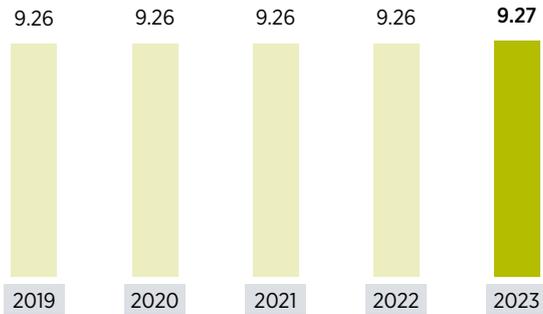
Tofaş adopts corporate governance as a corporate culture and carries out its activities accordingly. Within the framework of the Capital Markets Board (CMB) Corporate Governance Communiqué, the Company adheres to the principles of transparency,

accountability, fairness and responsibility and carries out its corporate governance practices with an understanding of sustainability.

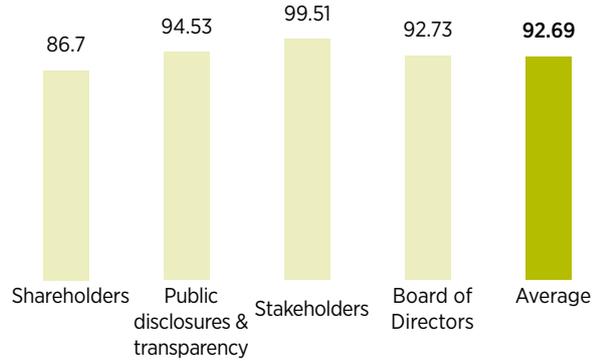
A “Corporate Governance Rating” is commissioned to assess Tofaş’s corporate governance practices under the subjects of “shareholders”, “public disclosure and transparency”, “stakeholders” and “Board of Directors”.

Tofaş’s corporate governance rating was renewed once in 2022 by the corporate governance rating firm Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. The activities in 2023 were reviewed and based on the Corporate Governance Rating Report prepared as of 26 October 2023, the rating was announced as 9.27.

CORPORATE GOVERNANCE RATING



CORPORATE GOVERNANCE RATING BREAKDOWN (%)



Indices Tofaş is listed in:

BIST SUSTAINABILITY INDEX / BIST ALL / BIST INDUSTRIAL / BIST 30 / BIST 100 / BIST Bursa / BIST STAR / BIST CORPORATE GOVERNANCE / BIST DIVIDEND / BIST METAL PRODUCTS, MACHINERY / BIST 50

CAPITAL AND SHAREHOLDING STRUCTURE

Tofaş has adopted the registered capital system in accordance with the provisions of the Capital Markets Law and has switched to the registered capital system with the permission of the Capital Markets Board dated 1.8.1991 and numbered 532. As of 31 December 2023, the registered capital ceiling of the Company is TL 1,000,000,000 and the permission of the registered capital ceiling given by the Capital Markets Board is valid for the years 2021-2025 (5 years). As of 31 December 2023, the paid-in capital of the Company is TL 500,000,000 (full TL) and consists of 50 billion shares of TL 0.01 (full TL) each. The Board

of Directors is authorised to increase the issued capital by issuing new shares up to the registered capital ceiling when it deems necessary in accordance with the provisions of the Capital Markets Law from 2021 until the end of 2025, and to take decisions on the issuance of privileged, premium or shares below their nominal value.

Shareholders present at the Ordinary and Extraordinary General Assembly meetings exercise their voting rights in proportion to the nominal value of their total shares. In General Assembly meetings, votes are cast openly; however, secret ballot voting is resorted to upon the request of shareholders holding at least one twentieth of the shares represented at the meeting.

Shareholder	Share Group	Share Amount (TL)	Voting Right	Share Ratio (%)
Stellantis Europe S.p.A.	D	189,279,856.87	18,927,985,687	37.8560
Koç Holding A.Ş.	A	187,938,121.26	18,793,812,126	37.5876
Temel Tic. ve Yat. A.Ş.	A	175,693.44	17,569,344	0.0351
Koç Family	A	1,166,042.17	116,604,217	0.2333
Other Shareholders	E	121,440,286.26	12,144,028,626	24.2880
Total		500,000,000.00	50,000,000,000	100

*During the period between 01.01.2023 - 31.12.2023, there has been no change in the capital and shareholding structure of Tofaş.

Share Information

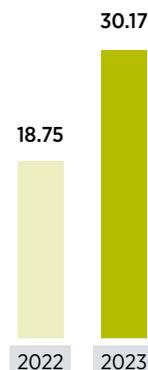
The average value of Tofaş shares in 2023 increased by 164%, showing a stronger performance than the BIST 100, which appreciated by 113%. Considering the price levels realised at the end of the year, Tofaş

shares increased by 31% in 2023, while BIST 100 increased by 35.6% in the same period. The share of foreign investors in Tofaş shares was 41.7% at the end of 2023. In the same period, BIST foreign investor share is 38%.

2023 Trading Highlights

Closing Price:	210.00 TL
Market Capitalisation:	USD 3.56 billion
Highest (Intraday):	309.60 TL
Lowest (Intraday):	133.28 TL
Foreign Share:	41.7%
Average Trade Volume:	USD 24.5 million

EARNINGS PER SHARE (TL)



Management Approach at Tofaş

Tofaş Board of Directors

Tofaş Board of Directors consists of 10 members, 2 of whom are independent members. The duties of the Board Chair and the CEO are performed by different individuals. The CEO, who is the only executive member, reports directly to the Board of Directors. The Board of Directors, which carries out the business and administration of the Company, consists of an even number of persons, minimum 8 and maximum 12, elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code and the regulations of the Capital Markets Board.

The meeting and decision quorum of the Board of Directors shall be achieved with the participation and affirmative vote of the absolute majority of all members of the Board of Directors. In order to ensure this quorum, the participation and favourable votes of at least 2 non-independent members nominated by Group A shareholders and at least 2 non-independent members nominated by Group D shareholders are required. The obligations imposed by the Corporate Governance Principles established by the Capital Markets Board are reserved.

Half of the members to be elected to the Board of Directors must be elected from among the candidates nominated by Group A shareholders and the other half by Group D shareholders. One of the candidates nominated by Group A and Group D shareholders must possess the independence qualifications defined in the regulations of the Capital Markets Board.

The aim is to ensure diversity in terms of age, gender, race, nationality, ethnic origin, race, nationality, and ethnicity in the election of Board members. With the [Tofaş Board of Directors Diversity Policy](#), the nomination process for Tofaş Board membership is managed in a way to emphasise the principles of diversity and inclusion.

The number and qualifications of the independent members of the Board of Directors are determined in accordance with the regulations of the Capital Markets Board on Corporate Governance Principles. While the Audit Committee is composed entirely

of independent members, 40% of the Corporate Governance Committee and half of the Early Detection of Risk Committee are composed of independent members. The members of the Board of Directors can be elected for a maximum of 3 years and can be re-elected if their term of office has expired.

Duties, Authorities and Limits of the Members of the Board of Directors and Audit

Both the Chair and the members of the Board of Directors have the duties and authorisations specified in the relevant articles of the Turkish Commercial Code and Article 11 of the Company's Articles of Association. The rules and procedures regarding the decision-making processes of the Board of Directors are set out in Article 10 of the Company's Articles of Association. Article 13 of the Company's Articles of Association includes a regulation on auditing.

The résumés of the members of the Board of Directors are included in the [2023 Annual Report](#) and on the Company's corporate website at www.tofas.com.tr.

Information about the activities of Tofaş Board of Directors during the reporting period is included in the [2023 Annual Report](#).

Board Committees

Tofaş Board of Directors comprises three committees: Corporate Governance Committee, Early Detection of Risk and Risk Management Committee, Audit Committee. The Corporate Governance Committee, the Audit Committee and the Early Detection of Risk and Risk Management Committee, which carry out their activities under the Board of Directors, have an important role in ensuring the effectiveness of the Board of Directors' activities. The duties of the Nomination Committee and Remuneration Committee are also fulfilled by the Corporate Governance Committee.

Information about the activities of Tofaş Board of Directors Committees during the reporting period is included in the [2023 Annual Report](#).

Remuneration for Board Members and Senior Executives

Market conditions, company performance and individual performance are taken into consideration in the remuneration of the members of the Board of Directors and senior executives at Tofaş. Principles regarding the remuneration of executives are set out in [Tofaş Remuneration Policy for Board Members and Senior Executives](#).

Tofaş Senior Management

As of 2023, Tofaş's senior management team consists of the CEO and 18 directors. The CEO and the Company's senior management are responsible for identifying and managing strategic trends, ensuring the functionality of risk management, early warning and control systems, setting corporate goals, ensuring compliance with corporate governance principles and carrying out activities to achieve the expected performance and results in this area, evaluating and approving the sustainability report and checking that all material issues have been overseen.

Résumés of senior management can be found in the [2023 Annual Report](#) and on the Company's corporate website at www.tofas.com.tr.

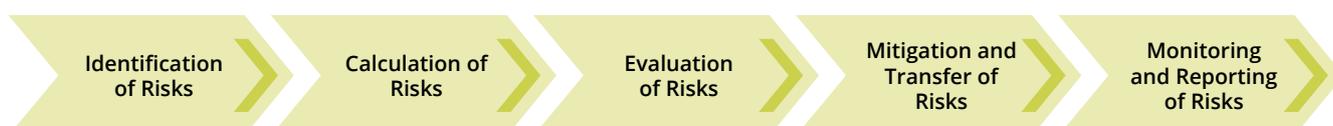
RISK MANAGEMENT

Tofaş's risk management processes are also the responsibility of the Board of Directors. Risk management duties and activities are performed by the Audit Committee and the Early Risk Detection and Risk Management Committee in accordance with the relevant legal regulations. Corporate risk strategies are determined in accordance with the reports submitted to the Board of Directors.

Tofaş's risk management is organised to report to the Board of Directors in accordance with the Risk Management Policy and in compliance with legal and regulatory requirements. The reporting principles have been determined as a result of the evaluation of Tofaş's risk management system. In this framework,

risk management is based on the principles of protecting the company's assets and values, ensuring commercial, financial and operational reliability and sustainability in corporate risk management. Tofaş Management is financially, commercially, operationally and organisationally responsible for the management of corporate risks and takes and implements all measures required by internal audit and internal control activities.

The company's activities are managed proactively, taking into account the extent to which risks and the financial, commercial and operational consequences of risks will affect Tofaş in a sensitive manner. Tofaş management analyses the identification and evaluation process in five stages in order to manage risks in a systematic manner:



Management Approach at Tofaş

Sustainability Based Risk and Opportunity Analysis

	Priority Risks	Opportunities
Economic	<ul style="list-style-type: none"> • Debt payment risks • The main financial consequences of the risks are represented by market loss due to change in market expectations 	<ul style="list-style-type: none"> • DDS (Direct Debit System) • Internal control system • Tofaş R&D Centre increases the number of EU funded research projects
Environmental	<ul style="list-style-type: none"> • CO₂ emission regulations in the European Union, requiring CO₂ reductions ranging between 3050% by 2030 • Sales or production losses that may be experienced during the compliance processes with national and international legal regulations 	<ul style="list-style-type: none"> • Tofaş has a structured production system in line with SPW (Stellantis Production Way), one of the highest standards in production worldwide, which encourages sustainable, systematic improvements and energy saving projects to eliminate losses • Tofaş is working on solutions that will further reduce energy consumption and lower the overall environmental impact, with a particular focus on reducing the use of fossil fuels in production processes
Social	<ul style="list-style-type: none"> • There is no risk in the medium and long term. 	<ul style="list-style-type: none"> • Tofaş works to raise awareness of environmental and climate responsibility in the value chain through supplier and dealer development activities and customer information services • Tofaş continuously encourages all its stakeholders to contribute by giving suggestions, takes these suggestions into consideration and takes appropriate actions

Management of Climate Risks

Positioning climate risks along the value chain, Tofaş assesses these risks according to their severity in order to manage them in a more integrated and effective manner. Climate risks are scored based on their financial impact values.

The climate-related risk assessment process starts with the categorisation of the risk into elements such as likelihood of occurrence, potential impact on profitability, business continuity, reputation, or a combination of these elements. The analysis of these elements together determines the importance and prioritisation of risks. For events that exceed the predetermined significance threshold, existing measures are analysed and future containment measures, action plans and responsible persons are identified.

According to Tofaş’s risk assessment methodology, climate-related risks are scored by taking into account financial, reputational, production, operational, human and legal impacts, and the maximum score is defined as the risk assessment score. Risks are assessed based on impact, probability and time frame. Risks are defined as acceptable if the score is below 6; scores between 6 and 12 are classified as medium risk and scores between 12 and 16 are classified as high risk. In the case of reputational risk or legal risk, the potential risk is defined as “High” in all cases. For financial impacts, a financial loss of less than EUR 1,000,000 is not recognised as a significant financial impact.

Climate-related risks

Risk Type	Importance	Description of Risk
Current regulations	*****	All activities of the Company are managed in accordance with the relevant regulations. At the same time, current and possible future regulations are closely monitored and budgeted regularly every year.
Regulations in preparation	*****	Regulations directly related to the Company's operations, such as laws, regulations and government policies related to increased fuel economy requirements and reduced GHG emissions, have a significant impact on the Company's operations. Tofaş is working to implement best practices to prevent risks related to climate change and is shaping its plans for transition to a low-carbon future.
Technology	*****	<p>Emerging new technologies have a profound impact on customer expectations, production processes and business models. Moreover, there is an intense competitive environment in which autonomous driving technologies involve technology companies as well as start-ups. In order to continuously improve its competitive edge, Tofaş closely monitors regulations and innovations in the field of technology and shapes its strategic priorities and practices in the field of technology accordingly, taking into account changing market and customer requirements. Tofaş offers its employees advanced training opportunities to develop their competences in new technologies.</p> <p>Tofaş aims to develop its R&D competences in the areas of connectivity, infotainment, drive systems, control software and advanced driving support. Tofaş is constantly expanding its scope of activities to respond to global automotive software needs.</p> <p>Tofaş's projects in technology areas, such as increasing research on autonomous driving technology for the transition to a lower-carbon and more energy-efficient economy, continued in 2022.</p>
Legal	***	Tofaş closely monitors the climate policies shaped around the world, closely follows possible regulations and makes adaptation plans in order to prevent risks that may arise from new regulations.
Market	*****	Environmental and social issues around the world, changes in demographics and advancing technology are transforming customers' needs and expectations in the area of mobility. The risks associated with changes in customer expectations and needs are significant, as delays in the development of new technologies may result in the inability to create and sell profitable products that meet them. Customers' changing needs and trends are monitored through regular surveys. Tofaş develops technologies and solutions and creates new sales and service models to meet these needs in sustainable ways. Another area that Tofaş is working on in this context is the development of alternative fuel vehicles. To this end, the Company closely monitors electric vehicle technologies around the world and works to integrate these technologies with innovative solutions and applications to realise the domestic production of these vehicle systems and components. At the same time, Stellantis also contributes to the efforts to popularise alternative fuel systems using natural gas and biofuels.
Reputation	***	No future conflicts are expected with regard to this item.
Acute physical	***	Nilüfer Stream, which is 500 metres away from Tofaş factory, has been identified as the main flood risk.

***: Medium importance

*****: High importance

Management Approach at Tofaş

The financial obligations of existing products and services resulting from current regulations are recognised as climate-related financial risks, and these regulations increase Tofaş's operating costs. Relevant laws, regulations and government policies, including increased fuel efficiency requirements and reduced greenhouse gas and exhaust gas emissions, have a significant impact on Tofaş's business processes. A significant portion of the R&D budget is dedicated to minimising climate-related risks.

As part of the Stellantis Group, Tofaş is optimising the environmental performance of conventional engines, increasing the use of compressed natural gas (CNG), reducing the energy demand of vehicles, developing systems to reduce emissions, and engaging customers and raising awareness in order to comply with regulations on CO₂, pollutant emissions and fuel efficiency.

Tofaş is aware of the environmental impact of reducing fuel consumption, exhaust emissions and overall vehicle weight and is conducting intensive research in these areas. The company focuses on lightweight design solutions based on cross-section and topology optimisation using high-strength and lightweight material technologies and hybrid solutions. Tofaş is working on the application of electric energy in industry, transport and daily life and making it available in all areas. With innovative mobility solutions, Tofaş strives to meet transport and transportation needs in a more efficient, environmentally friendly and user-oriented manner.

Unexpected growth in demand for low-emission vehicles may pose a financial risk to Tofaş's revenues. It is estimated that Tofaş's inability to offer the required vehicles to the market may result in a potential loss of sales. Market research conducted in this context shows that Tofaş is at risk of losing 2.5% of its market share due to this situation.

The shift in the automotive industry's mobility solutions towards low-emission vehicles has raised awareness of climate change. Tofaş sees this area as one of its most important development opportunities. To manage this risk effectively, the company conducts consumer research to identify new market trends and works with trade unions and employee representatives to ensure production flexibility. Market share and consumer demand are constantly monitored, and possible scenarios and their financial impact are analysed. Specific analyses are carried out on consumer attitudes towards ecological cars, price elasticity, market penetration and reputation index. Tofaş aims to develop innovative solutions and applications and to produce locally electric vehicle systems and components that integrate these technologies.

Climate Strategy and Decarbonisation Plans

Tofaş recognises the need for global action to combat climate change and aims to play an active role in this area. Using both the transition scenarios and physical climate scenarios of the IPCC, Tofaş has signed The 2°C Challenge Communique, an international business statement calling for global policies and actions to combat climate change. In addition, Tofaş joined the Science-Based Targets Initiative (SBTi) in 2023 in order to set emission reduction targets with science-based methodologies and strengthen sustainability strategies.

Tofaş uses three different scenarios to avoid exposure to risks arising from regulations:

High Carbon Price Scenario: This scenario represents the implementation of policies considered sufficient to reduce GHG emissions in line with the goal of limiting climate change to 2°C by 2100. The scenario is based on research by the OECD and IEA (2017).

Medium Carbon Price Scenario: This scenario assumes that policies will be implemented to reduce GHG emissions and limit climate change to 2°C in the long term, but that action will be delayed in the short term. The scenario is based on research by the OECD and IEA, as well as assessments of the adequacy of the country's national contribution declaration by Ecofys, Climate Analytics and the Climate Action Tracker by the New Climate Team. It is assumed that countries with nationally determined contributions that are not compatible with the 2°C target in the short term will increase their climate mitigation efforts in the medium and long term.

Low Price Scenario: This scenario represents a country fully implementing the scope of the adequacy of its national contribution declaration based on research by the OECD and IEA (2017). Prices in this scenario are likely to be insufficient to achieve the targets of the Paris Agreement.

It is seen that Tofaş may be exposed to annual carbon pricing risk ranging between USD 1.6 million and USD 5.6 million under Scope 1 until 2030. This financial risk may change under different climate scenarios.

Tofaş uses three different scenarios to avoid exposure to physical risk:

High Climate Change Scenario (RCP 8.5): Based on business as usual with emissions at current rates. This scenario is expected to cause more than 4°C warming by 2100.

Reasonable Climate Change Scenario (RCP 4.5): Represents the implementation of strong mitigation actions to reduce emissions to half of current levels by 2080. This scenario is considered more likely to result in warming in excess of 2°C by 2100.

Low Climate Change Scenario (RCP 2.6):

Represents the implementation of aggressive mitigation actions to halve emissions by 2050. This scenario is likely to result in less than 2°C warming by 2100.

Tofaş uses asset-level data to conduct relevant climate scenario analyses. In a low climate change scenario, a warming of 2°C is faced by the end of the century. In a moderate scenario, it exceeds 2°C, and finally, in a high scenario, it exceeds 4°C by the end of the century. Tofaş first obtains the latitude and longitude coordinates of the facilities in question, and then matches these facilities with a total of 7 different climate change hazards. After the mapping is done, a level is reached where the level of risk exposure can be measured at the facility level, which then affects the corporate or collective physical risk scores.

Tofaş considers physical risk scenarios until 2050, as in transition risk analyses, especially market risks and risks arising from regulations. For the assessment, water stress, flooding, heat waves, cold waves, hurricanes, forest fires and sea level rise are taken into consideration.

Climate change will further alter the magnitude and frequency of natural hazards and threaten Tofaş's physical assets and business continuity. Tofaş's Risk Management Policy is largely focussed on loss prevention and mitigation to help prevent material damage that could lead to interruptions in the Company's business. According to the risk assessment, the annual investment and maintenance budget is organised to reduce the risk score.

Tofaş has set Scope 1 and Scope 2 emissions as a base, totalling 102,917 CO₂e in 2021, and committed to reduce them by 50% by 2030 compared to 2021. In 2023, total Scope 1 and 2 emissions totalled 72,426 CO₂e. Thus, a 13% reduction was achieved.

Management Approach at Tofaş

Supporting the transition to a low-carbon economy through energy efficiency efforts, Tofaş is also a corporate member of the Climate Platform. Focusing particularly on reducing the use of fossil fuels in its production processes, Tofaş develops solutions to improve energy consumption. As part of its efforts to reduce energy consumption and minimise its carbon footprint, Tofaş prefers energy-efficient machines and facilities.

Tofaş implements energy efficiency projects in accordance with the Stellantis Production Way (SPW) methodology, with the objective of reducing energy consumption and CO₂ emissions. In this context, Tofaş achieved significant energy savings, with 59,698 MWh of energy saved and 17,830 tonnes of CO₂e emissions prevented through the implementation of 259 energy efficiency projects in 2023. The financial value of the savings achieved is 637 thousand euros.

In light of the growing urgency of climate change, Stellantis is intensifying its efforts to develop low-emission vehicles as part of its mobility solutions. In line with this strategic shift, Tofaş is ramping up its own investments in environmentally friendly and low-emission vehicles, allocating TL 1,220 million to research and development activities in 2023. Of these R&D expenditures, 21% were dedicated to emission reduction studies.

INTERNAL CONTROL AND INTERNAL AUDIT

Tofaş ensures that all its activities are developed in line with the highest standards of sustainability and efficiency. It also employs a robust internal audit process to provide assurance on the accuracy and reliability of its reports. The company has established effective audit mechanisms in line with a responsible and sustainable management approach.

It is the responsibility of the Board of Directors to ensure the effective functioning of the internal control system and internal audit at Tofaş. The internal control and internal audit system is monitored by the Audit Committee, which reports to the Board of Directors. This committee takes the necessary proactive measures against foreseeable potential risks, such as corporate risk management, financial, commercial and operational risks, within the framework of the company's internal control system and internal audit activities. Furthermore, the effectiveness of the internal control and internal audit system is evaluated by the Early Detection of Risk and Risk Management Committee in conjunction with corporate risk management. To enhance the efficacy of the process, the internal control and internal audit system is overseen in conjunction with corporate risk management by the Early Detection of Risk and Risk Management Committee.

Following assessments of the effectiveness and performance of the internal audit systems, the Audit Committee will present recommendations for improvement to the Board of Directors.

QUALITY MANAGEMENT

Tofaş is committed to enhancing the quality standards of all production and service processes within its value chain to ensure competitiveness. The company's quality management system is subject to continuous updates and improvements in line with evolving customer expectations.

Maintaining its ambitious development in 2023, Tofaş was awarded as the best performing factory among all Stellantis factories in both internal and external quality indicators in the Stellantis Production Quality Awards evaluation. The indicators evaluated were the number of warranty cases, SCA - customer-centred assessment, and DVX - number of defects per vehicle in production. This important achievement was celebrated throughout the factory and the good practices that led to these successful results were shared with all Stellantis factories.

To prevent quality defects, the '12 Best Practices' and '14 Basic Rules of Customer Experience' methods, designed with Stellantis, have been incorporated into our processes and are now being implemented effectively in the factory.

In 2023, Tofaş continued to invest in innovative applications in quality processes. To this end, the 3D laser scanner with blue light technology, which was commissioned as part of the measurement system investments, improved our measurement speed threefold and increased our analysis capacity. Since the new device has the ability to measure shiny surfaces without the need to use spray, it has also contributed to the reduction of environmental waste.

In addition, projects to improve energy efficiency and reduce destructive testing in the business areas have optimised the use of natural resources and contributed to financial sustainability.

As part of the digital transformation of processes, 52 projects were launched in quality areas and a financial return of more than €700,000 was achieved. At the same time, the total number of digitally literate employees in quality was increased from 19% to 65% through training and development activities.



Management Approach at Tofaş

“CUSTOMER FIRST” PLATFORM:

The ‘Customer First’ platform, launched in 2023 with the understanding that all customer communications are valuable and prioritised, ensures that all notifications from channels such as social media, customer surveys, the customer interest centre, and customer notifications within the scope of an effectively managed warranty can be monitored instantly through a digital application. In 2023, a new customer channel was created and the NCB (New Car Owners) survey was initiated, conducted three months after the sale of vehicles with Fiat Connect devices. This approach has enabled us to obtain high-quality and high-volume customer notifications.

The notifications received on this platform are regularly reviewed and solutions are developed to ensure customer satisfaction. Furthermore, in the last period of 2023, the reading and interpretation of all customer data through artificial intelligence was initiated.

At the 13th Quality Summit, which was organised with the participation of all Koç Holding companies, Tofaş shared insights on sustainable quality social responsibility projects and quality management in logistics with the participants and led the working groups. The valuable experiences and ideas shared reinforced Tofaş’s commitment to developing innovative and effective solutions for sustainable processes.

In line with our commitment to industry-university collaboration, the Quality Directorate conducted a series of educational sessions on automotive industry best practices, business operations, quality standards, and industrialisation processes at various academic institutions. These sessions were designed to equip newcomers to the sector with the knowledge and expertise necessary to excel in their roles.

The first sharing was made under the title of ‘Quality from the Past to the Future’ in the webinar organised by the Quality Movement formation. In the second half of the year, experience sharing at Tofaş Career Days, ‘Women in Industry’ at the Women’s Day event organised with Uludağ University. Various medium and high talks on quality in educational institutions were also held. These activities are important for the development of our potential workforce and for the sustainability of our workforce.

Tofaş is fully committed to the Integrated ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System standards. Furthermore, no major or minor non-conformities were detected in the recent audits.

Following the audits, Tofaş’s strengths were identified by the independent organisation.

- Followup on nonconformities and implementation of corrective measures in response to findings from the Integrated Quality Management System audit.
- The handling and management of systems.
- Work safety practices in the field.
- Regulatory portal and applications.
- The implementation of factorywide improvement projects.
- Key performance indicators are monitored effectively by the units and that progress is made towards the benchmark level.

ETHICAL VALUES AND ANTI-CORRUPTION

Tofaş shapes all its activities with full commitment to the rules of business ethics. Therefore, following superior ethical values is among the primary responsibilities of Tofaş employees. Likewise, Tofaş dealers, suppliers, partners and all other stakeholders are expected to act in accordance with Tofaş's Code of Ethical Conduct and Anti-Bribery and Anti-Corruption Policy.

The Tofaş Ethics Committee oversees the implementation of the Tofaş Code of Ethical Conduct and the compliance process. Tofaş acts with a 'Zero Tolerance' policy against bribery and corruption and undertakes to carry out its activities in a fair, honest, legal and ethical manner. Tofaş aims to fully comply with legal regulations, ethical and professional principles and universal rules in all policies and procedures it develops. Within this framework, bribery and corruption risks are identified and activities are carried out to mitigate them. Ethical compliance activities are supported through internal collective trainings, regular ethical rule briefings, and online trainings.

Tofaş conducts its operations in compliance with internationally recognised ethical standards. In this context, Tofaş considers the 10th principle of the United Nations Global Compact (UNGC), of which Koç Holding, one of Tofaş's main shareholders, is a signatory party, to be an indispensable part of its business ethics and anti-corruption policies.

Tofaş does not discriminate on the basis of language, race, gender, political opinion, philosophical belief, religion and sect in labour relations. Except for reasons related to the nature of the work, such as the risk of the work, the safety of the employee and legal requirements, there is no direct or indirect discrimination on the grounds of sex or pregnancy in the conclusion, determination of the terms, implementation and termination of the employment contract.

Tofaş does not pay lower wages for the same or equivalent work due to gender. Recruitment, assignment and promotion decisions are made based on objective performance criteria without discrimination on issues such as language, religion, gender or race. Tofaş does not employ child labour and there are no forced labour practices.

Tofaş aims to make a positive contribution to society and the business world through active participation in public policy processes. Tofaş is committed to acting in accordance with ethical values and anti-corruption principles in its participation in public policy processes. All public policy-related contributions are made in accordance with the principles set out by the Organisation for Economic Cooperation and Development (OECD).

Tofaş is committed to fair competition and transparent trade practices in the business world. It is dedicated to combating anti-competitive behaviour and conducting its activities in accordance with the highest ethical standards.

SUSTAINABILITY MANAGEMENT

Tofaş assesses all of its activities in terms of their social, environmental and economic impact. Tofaş's primary objective is to develop a management model that continuously improves and creates value. This approach, endorsed by the CEO and all members of the Board of Directors, represents a sustainability-oriented management approach. Tofaş is dedicated to reducing its environmental impact and supporting social development by contributing to the Sustainable Development Goals (SDGs). In this context, it actively contributes to the achievement of the SDGs through sustainable production processes and community-oriented projects.

The Sustainability Committee is responsible for determining and monitoring Tofaş's sustainability strategies, while the Early Detection of Risk and Risk Management Committee oversees the appropriate management of these strategies.

Management Approach at Tofaş

At Tofaş, all risks and opportunities identified by the company's departments, employees and other relevant stakeholders are subject to meticulous evaluation. Following this, the necessary actions are taken to minimise risks. The progress made as a result of action plans is monitored by the relevant risk owners. The Early Detection of Risk and Risk Management Committee provides updates to the Corporate Governance Committee or the Board of Directors on its activities and practices in this area, depending on the level of importance. The Board of Directors is kept regularly informed about sustainability activities and evaluates the issues on the agenda. The coordination and reporting of sustainability activities are the responsibility of the Sustainability Team, overseen by senior management, directorates, and units.

Tofaş is committed to achieving its long-term success and growth targets in a manner that aligns with its environmental, social and economic responsibilities. In order to achieve these objectives, Tofaş has established a Corporate Sustainability Policy to support long-term sustainability goals. This Policy reflects Tofaş's commitment to responsible business practices in line with our responsibilities towards all our stakeholders, both locally in the region where our factory is located and throughout the country. The Policy, developed with input from key stakeholders, sets out our commitment to superior performance in environmental, social and governance areas.

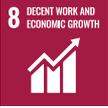
Tofaş Corporate Sustainability Policy includes the following principles:

- To continuously improve all processes by managing risks effectively
- To pursue a sustainable environmental management policy based on national environmental legislation, relevant environmental standards and the best technologies in this field
- To comply with the requirements of national and international legislation

- Improving company performance and production efficiency
- Working with the principle of zero accident in occupational health and safety
- To ensure information security and business continuity in all its activities
- To adopt corporate governance principles, particularly ethical values and anti-corruption, as a corporate culture
- Providing an open communication environment by encouraging employees to participate actively
- Using energy efficiently, protecting environmental balance and natural resources
- Developing suppliers towards sustainability practices
- To ensure continuity in customer satisfaction
- Managing relations with stakeholders in a transparent manner and with common sense
- To increase stakeholders' knowledge and social awareness on climate change,
- Sharing sustainable environmental policy practices with the public in a transparent manner,
- Presenting corporate social responsibility activities to stakeholders in line with company strategies, targets and priorities

It is of critical importance for Tofaş to manage, improve and audit its corporate, social and environmental efficiency processes, report its managerial, social and environmental performance and present the results obtained to all stakeholders and the public. The Tofaş Corporate Sustainability Policy is monitored at the Board of Directors level and related issues are evaluated by the committees under the responsibility of the Board of Directors. Since 2013, Tofaş has published a Sustainability Report on an annual basis, and in 2022, it published its first Integrated Report.

Tofaş Sustainability Priorities

Priority Issues	What does Tofaş do?	Reference SDG
Climate Change	Within the framework of its corporate sustainability strategy, Tofaş has developed management mechanisms to identify climate-oriented risks in the most effective way and to plan and implement the necessary actions. To this end, Tofaş Board of Directors closely monitors risk management and action plans in the context of climate change and leads the activities in these areas. At the same time, Tofaş measures the performance of related activities and monitors in detail whether the climate change-oriented targets set are achieved or not.	
Gender Equality	Tofaş believes that equal participation in employment is one of the most decisive factors in the progress of society. To this end, the company encourages the participation of female employees in the labour force and focuses on increasing the ratio of female employees in recruitment. Tofaş also works to improve the working conditions of its existing female employees.	
Energy Efficiency	Tofaş is aware that the energy efficiency and emission reductions it can achieve in the production process are completely under its control and are the areas where it can create the fastest impact. For this reason, energy efficiency and emission environmental management are among Tofaş's priorities. By limiting its energy consumption and emissions from year to year, Tofaş fulfils its responsibility to reduce the risks posed by climate change.	
Employee Development	Tofaş supports the value it attaches to its employees with talent and performance management practices that aim to improve their personal and professional skills.	
Water Management	Tofaş carries out studies on the efficient use of water and endeavours to manage its water and wastewater processes in the most efficient manner and to carry out its activities with minimum water consumption. The company aims to continuously improve the amount of water used through various practices and conducts periodic analyses to ensure the continuity and sustainability of water resources.	
Occupational Health and Safety	Tofaş adopts a world-class, proactive and lean approach to occupational health and safety. The company aims to create a sustainable occupational safety culture with safe workplaces and employees who demonstrate safe behaviour, and to protect all human resources within the boundaries of the company from injuries and health deterioration. Tofaş is committed to achieving the sustainable goal of "zero occupational accidents" and "zero occupational diseases" by continuously improving its occupational health and safety culture.	
Supply Chain Management	Tofaş conducts its relations with its suppliers in line with the understanding of business partnership, based on sustainable competition, openness and trust. Tofaş believes that a supply chain that is financially strong, operationally green, and reliable in terms of production quality and continuity will reinforce its business success. To this end, Tofaş endeavours to contribute to the continuous development of its suppliers, who are among the most important elements of its value chain.	
Human Rights	Human rights at Tofaş are managed by the Tofaş Ethics Committee, which reports to the Board of Directors. Violations of employee rights, child labour, forced and compulsory labour, and discrimination are not permitted under any circumstances at Tofaş. The company aims to extend this approach to human rights throughout its value chain.	
Stakeholder Communication	Tofaş acts with the awareness that in order for its sustainability approach to be reflected in all business processes, it is necessary for all its employees, dealers and suppliers to cooperate. In line with the strategic importance it attaches to stakeholder interaction, Tofaş recognises transparency and responsibility criteria as its focal point.	

Stakeholder Relations at Tofaş

Tofaş has adopted a sustainability approach that focuses on the stakeholders in the sphere of influence of its activities. Two-way communication is established with stakeholders and their opinions, suggestions and expectations are always taken into consideration.

In line with the Sustainable Development Goals, Tofaş aims to spread sustainability awareness to all its stakeholders without ignoring the needs of

future generations. To this end, Tofaş supports the development of co-operation among employees, dealers and suppliers in order to integrate the sustainability approach into all business processes.

Tofaş focuses on the principles of transparency and responsibility in line with the strategic importance given to stakeholder interaction. It also encourages its stakeholders to comply with the UN Global Compact.

STAKEHOLDER GROUP	TYPE AND FREQUENCY OF APPLICATION
Employees	Surveys and Research (at various intervals); Training Activities, Tofaş Code of Ethics, Internal communication platforms (continuous - news screens, TofaşGO intranet), Suggestion and Rewarding System (instant); OHS Committees, Working Groups and Committees (at various intervals); Performance Management and Career Development Meetings, Social Events (at least twice a year); Management Meetings, Communication Meetings, Annual Report (once a year), Sustainability Report (once a year), Environment Day (once a year); Work-life Evaluation Survey (once a year)
Main Shareholders	General Assembly Meetings, Annual Report (once a year), Sustainability Report (once a year); Board Meetings, Financial Performance Reports (four times a year); Material Disclosures (as required)
Minority Shareholders	Investor Presentations, One-on-One Meetings (upon request); General Assembly Meetings, Annual Report (once a year), Sustainability Report (once a year); Financial Performance Reports (four times a year); Material Disclosures (as required)
Dealers	One-to-one Meetings (upon request); Dealer Meetings, Annual Report (once a year), Sustainability Report (once a year); Dealer Portal (continuous), Dealer Trainings (continuous); Customer Satisfaction Surveys (once a year)
Suppliers	One-on-One Meetings (upon request); OHS Committees (once a month); Annual Report (once a year), Sustainability Report (once a year); Supplier Code of Conduct (continuous); Supplier Portal (continuous), Training and Development Programmes (continuous); Supplier Summit
Product End Users	Product Labels and User Manuals (continuous), Marketing Communication Activities (continuous); Fair Participation, Annual Report (annually), Sustainability Report (annually)
Local Community	Communication System, Social Projects, Donations and Sponsorships (upon request); Information Meetings (upon need); Annual Report (annually), Sustainability Report (annually)

Stakeholder Relations at Tofaş

STAKEHOLDER GROUP	TYPE AND FREQUENCY OF APPLICATION
Sectoral Actors	Meetings and Discussions, Projects and Initiatives (upon request); Tradeshow Participation (periodically); Annual Report (annually), Sustainability Report (annually)
Local Authorities	Meetings and Discussions (periodical), Annual Report (annually), Sustainability Report (annually)
Public Organisations	Meetings and Interviews (upon request); Disclosure Reports (at various intervals); Public Audits (at various intervals/instantly); Annual Report (annually), Sustainability Report (annually)
Civil Society Organisations	Memberships (continuous); Working Groups, Committee and Board Memberships (periodic); Joint Projects and Initiatives, Meetings and Discussions (upon request); Annual Report (annually); Sustainability Report (annually)
Universities and Academics	Scholarship and Internship Opportunities, Academic Congress and Seminar Participation (continuous); R&D Project Partnerships, Sponsorship and Support; Support for Academic Research and Publications; Events and Organisations; Meetings and Interviews (upon request); Annual Report (annually); Sustainability Report (annually)
Employee Families	Information Studies (continuous); Social Activities (at least twice a year)
Opinion Leaders	Opinion Leaders Meetings and Interviews (upon request); Annual Report (once a year), Sustainability Report (once a year); Factory Visits
Media	Interviews and Talks (upon request), Meetings and Interviews (several times a year); Press Releases, Material Disclosures (upon request); Annual Report (once a year), Sustainability Report (once a year)

COLLABORATION WITH STAKEHOLDERS FOR CLIMATE CHANGE

Suppliers

Tofaş aims to anticipate and manage environmental, social and economic risks with proactive methods by assessing sustainability risks not only for its own operations but also throughout the entire supply chain. In this context, it provides financial and operational support to its suppliers.

As part of its “Green Procurement” strategy since 2017, Tofaş has included all of its direct suppliers in a programme to improve their environmental performance. In this programme, suppliers respond to surveys about their greenhouse gas emissions and their impact on climate change. In line with this data, Tofaş cooperates with its suppliers to improve their environmental performance.

Tofaş analyses the environmental, social and governance data of its direct suppliers and identifies suppliers from different sectors based on this data. Technical and methodical development projects are organised, workshops, site visits and action plans are prepared to improve the performance of selected suppliers and reduce their risk scores. The action plans include over a hundred short, medium and long term projects.

Customers

Tofaş regularly communicates with its customers to provide information on the correct use of its products and services. Tofaş customers have access to guides and manuals, Fiat My Companion Connect and educational videos that raise awareness through online platforms.

The Fiat My Companion Connect app analyses drivers' driving styles and provides information on efficient driving and fuel economy, helping them to reduce fuel consumption and lower harmful emissions.

This application contributes to environmental sustainability by reducing fuel consumption by up to 25% in urban driving. The Eco:Drive software system, available on selected models and integrated with Fiat My Companion Connect, provides personalised tips on driving styles to reduce fuel consumption and emissions. The amount of CO₂ emissions avoided by users of the Eco:Drive application thanks to more efficient driving techniques is regularly monitored and updated, together with the effects of the application and the measures taken. .

Civil Society Organisations

Automotive Industry Association (OSD)

The Automotive Manufacturers' Association (OSD) is the Turkish partner of the European Automobile Manufacturers' Association (ACEA) and represents the interests of 15 car, truck and bus manufacturers in Türkiye. Closely following the environmental targets set by the EU, OSD emphasises technological innovations, the creation of new refuelling infrastructures and the rapid renewal of the vehicle fleet in Europe. In this challenging process, the fuel and energy sectors and policy makers need to join forces. As a member of OSD, Tofaş contributes to the development of regulations and standards for the automotive industry.

Turkish Industry and Business Association (TÜSİAD) Environment and Climate Change Working Group

TÜSİAD Environment and Climate Change Working Group was established to contribute to the development of regulations that will support economic growth in line with environmental policies in Türkiye and the sustainability of natural resources. The Group analyses climate change regulations for both Türkiye and the EU and contributes to the work of the Regional Environmental Centre (REC Türkiye).

In 2011, Tofaş became a member of the Climate Platform, which was established as an independent and non-profit initiative in cooperation with REC Türkiye and TÜSİAD. In this way, it supports the transition to a low-carbon economy and efforts to combat climate change.

International Investors Association (YASED) Sustainable Development Working Group

YASED Sustainable Development Working Group was established in 2022 to take the work initiated under the YASED Sustainable Development Platform to the next level. The main purpose of the group is to support the achievement of the Sustainable Development Goals, to raise awareness of sustainability in the business world and to disseminate good practice examples in this field. In this context, the Group's mission is to support sustainability initiatives by bringing together its members.

The Group's priorities include the European Green Deal, energy efficiency practices and carbon reduction technologies. As a member of the Sustainable Development Working Group, Tofaş contributes to the Group's efforts to have a broader impact on sustainability.

Stakeholder Relations at Tofaş

Corporate Memberships

Institution	Membership Type
Bursa Industrialists and Businessmen Association (BUSIAD)	Board of Directors and Expertise Group Memberships
Bursa Chamber of Commerce and Industry (BTSO)	Assembly and Committee Membership
Demirtaş Organised Industrial Zone (DOSAB)	Board of Directors and Education Commission Memberships
Demirtaş Organised Industrial Zone and Businessmen Association (DOSABSİAD)	Membership
SEAFLOOR-TURMEPA	Membership
Foreign Economic Relations Board Business Council (DEİK)	Board Member of Italy Business Council
World Association of Italian Entrepreneurs (CIIM EurAsiaMed)	Board Membership
Climate Platform (REC Türkiye)	Membership
Istanbul Chamber of Industry (ISO)	36th Group Professional Committee and Assembly Membership
Italy Business Council	Membership
Italian Chamber of Commerce	Representation
Automobile Distributors Association (ODD)	Audit Board and Committee Memberships
Automobile Industry Association (OSD)	Chairmanship of the Board of Directors, Committee and Working Group Memberships
Advertisers Association (RVD)	Membership
TOBB Automotive Industry Assembly	Assembly Presidency and Membership
Turkish Industry and Business Association (TUSIAD)	Membership and Working Group Memberships
Turkish Foreign Trade Association (TURKTRADE)	Membership
Turkish Quality Association (KalDer)	Membership
Turkish Metal Industrialists' Association (MESS)	Membership
Bursa Branch of Personnel Management Association of Türkiye (PERYÖN)	Membership
TUYİD Investor Relations Association	Membership
Uludağ Exporters' Associations Automotive Exporters' Association (OİB)	Vice Chairman of the Board of Directors
Foreign Investment Association (YASED)	Vice Chairman of the Board of Directors, Committee Memberships

Tofaş's Capitals

FINANCIAL CAPITAL

With its constantly renewed and value-oriented management model, Tofaş aims to maintain its profitable growth. Thanks to its strong financial capital, Tofaş continues to make strategic investments, thus reinforcing its long-term success and competitive advantage.

2023 AT A GLANCE

- Tofaş's total sales revenues increased by 3% to TL 127,601 million.
- Tofaş's net profit reached TL 15.1 billion, up 60.7% year-on-year.
- Tofaş's export revenues were realised at TL 25,125 million.
- In 2023, Tofaş realised capital expenditures of EUR 48.6 million.
- As of year-end, Tofaş's total assets reached TL 78.7 billion and its total shareholders' equity reached TL 36.9 billion.
- Between 2018 and 2023, the amount of dividends paid by Tofaş reached EUR 813.5 million.
- Tofaş achieved an EBITDA of TL 19.7 billion, up 8.6% year-on-year.
- The average value of Tofaş shares increased by 164% in 2023, outperforming the BIST 100, which gained 113%.

Tofaş's Capitals - Financial Capital

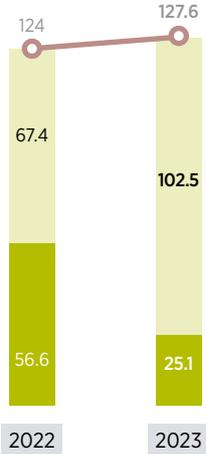
Sales

Sales revenues increased by 3% to TL 127,601 million in 2023.

SALES (UNITS)	DOMESTIC MARKET		CHANGE	FOREIGN MARKET		CHANGE	TOTAL		CHANGE
	2022	2023	%	2022	2023	%	2022	2023	%
Automobile	100,722	132,774	31.8	39,109	42,696	9.2	139,831	175,471	25.5
Light Commercial Vehicle (LCV)	48,064	68,019	41.5	82,376	17,798	-78.4	130,440	85,817	-34.2
Total	148,786	200,793	34.95	121,485	60,494	-50.2	270,271	261,288	-3.3

SALES (UNITS)	2022	2023	CHANGE (UNIT)
Domestic Market	148,786	200,793	52,007
From Production	142,338	176,939	34,601
Egea	97,078	125,054	27,064
Doblò	24,321	9,643	-14,678
Fiorino	21,361	42,242	20,881
Import	6,448	23,855	17,406
Ducato	2,383	7,411	5,028
Fiat 500	165	1,244	1,079
Jeep®	2,346	3,757	1,411
Ulysse	2	1,053	1,051
Scudo	232	1,865	1,633
New Doblò	-	5,805	5,795
Alfa Romeo	880	2,016	1,136
Panda	84	114	30
Maserati	312	553	240
Ferrari	44	37	-7
Export	121,485	60,494	-60,991
Tipo	7,890	25,242	-17,352
Tipo HB and SW	30,452	17,454	-12,998
Doblò	32,806	245	-32,561
Ram Doblò	27,755	1,528	-26,227
Fiorino	22,574	16,010	-6,564
Other	8	15	5
Total	270,271	261,288	-8,984

SALES REVENUES* (TL BILLION)



SALES (TL THOUSANDS)	2022	2023	CHANGE %
Foreign Sales	56,580,671	25,124,652	-55.6
Domestic Sales	64,404,976	97,507,870	51.4
Other Sales from Operating Activities	3,033,409	4,968,478	63.8

*Financial results for 2022 and 2023 have been prepared in accordance with inflation accounting and adjusted based on the purchasing power of 2023.

■ Exports ■ Domestic sales — Total

EXPORT

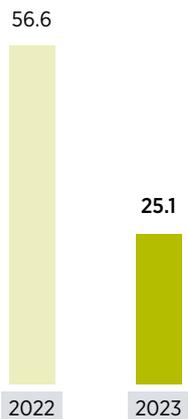
In 2023, Tofaş’s export volumes contracted by 50.2% compared to the previous year due to the expiry of the Doblo contract and total export volumes were realised as 60,494. Accordingly, export revenues contracted by 55.6% to TL 25,125 million.

EXPORT (UNITS)

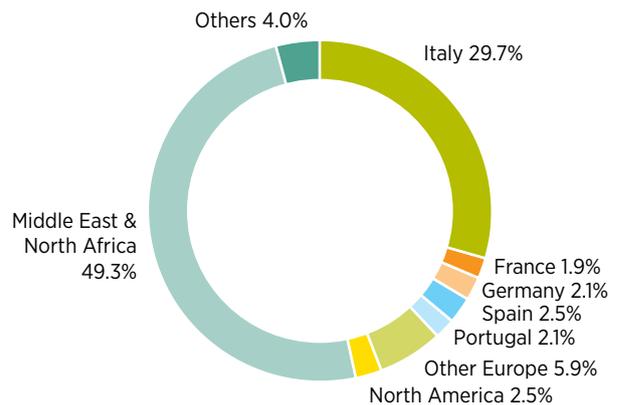


■ Automobiles ■ Light Commercial Vehicles — Total

ANNUAL EXPORT REVENUE (TL BILLION)



MAIN EXPORT MARKETS (DISTRIBUTION BY UNITS)

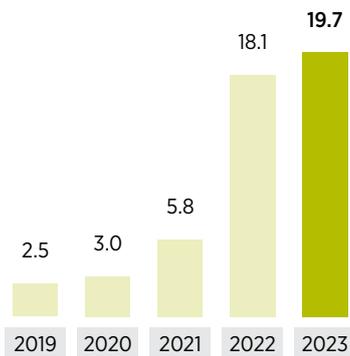


Tofaş's Capitals - Financial Capital

FINANCIAL RESULTS

As of the end of 2023, Tofaş's total assets and shareholders' equity reached TL 78.7 billion and TL 36.9 billion, respectively.

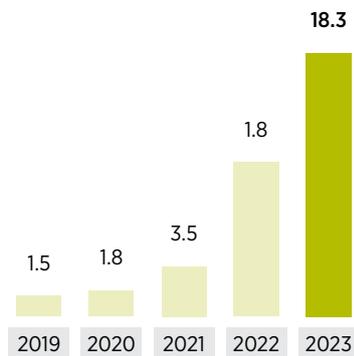
EBITDA (TL BILLION)



Tofaş's earnings before interest, taxes, depreciation, and amortization weighed in at TL 19,666,722 million in 2023. The factors contributing to this 8.6% year-on growth in EBITDA were:

- Strong domestic market performance
- Disciplined cost control
- Production flexibility

PRETAX PROFIT (TL BILLION)



Nourished by growth in operating profit, by a strong cash position, and by improvements in net financing costs, Tofaş's pre-tax profit increased by 70.0% to TL 18,327 million.

NET PROFIT (TL BILLION)



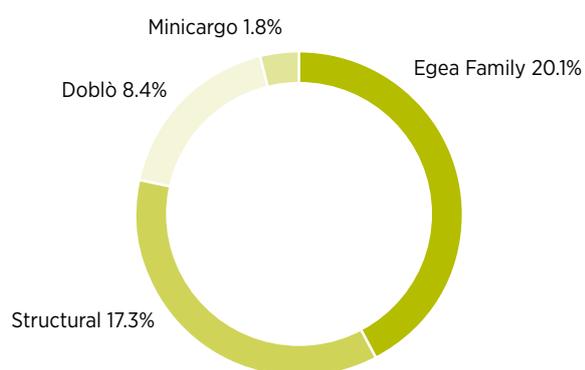
Net profit was up by 60.9% and amounted to TL 15,083 million.

YEAR	EBITDA		PROFIT BEFORE TAX		NET PROFIT	
	TL thousands	Change %	TL thousands	Change %	TL thousands	Change %
2022	18,115,118		10,778,351		9,374,039	
2023	19,666,722	8.6%	18,326,525	70.0%	15,083,439	60.9%

INVESTMENTS

Tofaş's capital expenditures in 2023 totalled EUR 48.6 million. In 2023, the Egea Project accounted for the majority of the total investment amount.

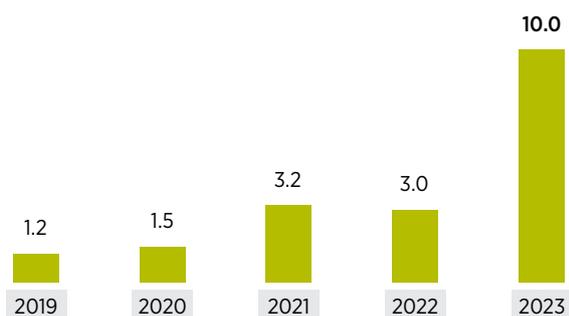
BREAKDOWN OF INVESTMENTS (%)



2023 INVESTMENTS

	EUR (MILLION)
Egea Family	20.1
Structural	17.3
K0	8.4
Minicargo	1.8
Total	48.6

DIVIDEND PAYMENT PERFORMANCE (TL BILLION)



In 2023, gross dividends totalling TL 3,000 million were paid in one lump sum in relation to the profit figure for 2022. The amount of dividends paid by Tofaş between 2018 and 2023 reached TL 9.8 billion. Tofaş management's dividend distribution proposal for 2023 totals TL 10 billion, indicating a dividend payout ratio of 66.3% over 2023 net profit.

Tofaş's Capitals - Financial Capital

SUBSIDIARIES & AFFILIATES

Koç Fiat Kredi Finansman A.Ş.

Koç Fiat Kredi provides financial solution services for the brands sold under the Tofaş umbrella as well as second-hand and ancillary products. The company provides financing support to real and legal customers with fast service at a single point without leaving the dealership, the opportunity to apply through online channels and a strong operational structure.

As of 2023 year-end, the Company's loan portfolio amounted to TL 9.6 billion, lending TL 10.3 billion for 27.9 thousand vehicles and 22% of Tofaş's retail sales. Koç Fiat Kredi continued to fund its loan portfolio with bank loans and securities issued. The total size of the resources provided by bank loans amounted to TL 7.8 billion at the end of 2023. The balance of securities issued has a nominal value of TL 2.1 billion. In 2023, Koç Fiat Kredi's national short-term credit rating of (TR) A1+ with a stable outlook and long-term national credit rating of (TR) AA with a stable outlook were confirmed.

The operational application infrastructure used at the Company's headquarters and dealers is being renewed with the most up-to-date applications offered by digital technologies. The mobile application and online transactions projects, which were developed in parallel with the modernisation project and which gather all customer transactions at a single point in a self-service manner, were also commissioned in 2023. Focusing on digital transformation and aiming to create end-to-end value, Koç Fiat Kredi continues its remote customer acquisition and robotic process automation projects. Koç Fiat Kredi aims to continue its digital transformation journey with the experiences gained from the projects it has completed and the new ideas that have emerged, to extend the agile working model throughout the entire company, to attract value-creating employees to the company and to maintain its competitive advantage.

Koç Fiat Insurance

Established to meet future customer expectations and Tofaş's mobility priorities, "Koç Fiat Sigorta" aims to provide an excellent end-to-end experience by meeting customers' insurance needs in mobility and other areas. Launched in 2022, Koç Fiat Sigorta has signed agreements with more than 15 insurance companies in 2023 to become the largest automotive insurance agency in Türkiye and has established cooperation with 50 dealers in its network. In order to meet all the needs of its customers more quickly, the Company completed the necessary infrastructure work in sales, after-sales, claims and customer interest centre processes. Established with the aim of becoming the largest agency in Türkiye, Koç Fiat Sigorta offers customers all the insurance products they need in the field of mobility through Tofaş's strong dealer network and other channels.

Fer Mas Auto Trade Inc.

Established in 2005, Fer Mas represents Ferrari and Maserati cars in Türkiye and provides after-sales services. Ferrari sales in Türkiye in 2023 were 39, while Maserati sales totalled 533. Fer Mas service centre is located in Istanbul Vadi Koru with a 375 m² customer reception area, 1,200 m² body-paint repair area and 1,125 m² mechanical repair area.

MANUFACTURED CAPITAL

A production centre offering globally competitive solutions, a widespread dealer network, a reliable supply chain, and a rich brand and product diversity

constitute Tofaş's manufactured capital. Tofaş reaches out to large masses by responding accurately to customer needs and always aims to achieve the highest level of customer satisfaction.

2023 AT A GLANCE

- Tofaş produced 239,428 vehicles in 2023, accounting for 16.3% of Türkiye's automotive industry production.
- Tofaş is among the top three factories in the group, in the evaluation made by taking into account the elements of occupational safety, quality and efficiency according to the Stellantis Production Way.
- In Egea Sedan and Egea Cross models, the "Limited" special series was launched as the top version.
- The HB Dolcevitā and Convertible Dolcevitā versions of the Fiat 500 are now on sale in Türkiye with the more economical and environmentally friendly 1.0 litre Hybrid 70 hp MT engine option.
- Fiat 500, one of the iconic models of the automobile world, is available for sale with its new and fully electric version.
- Equipped with a 1.3-litre 150 hp and 270 Nm torque automatic transmission, the 500X's new special series version "Soft Top" was launched in 2023.
- Equipped with a 1.5-litre 130 hp and 240 Nm automatic transmission, the Cross Plus and Soft Top versions of the 500X were launched in 2023. The Jeep Avenger, the Jeep® brand's first all-electric model, was launched in Türkiye in 2023 and was named European Car of the Year.
- The fifth generation of the Fiat Doblò, which has gained new features in terms of design, technology and safety, has been introduced to the market.
- Within the scope of "Connected Supplier", which enables the dissemination of digital projects, 120 different projects were commissioned.
- As part of optimising logistics processes, 10 different projects were launched.

Tofaş's Capitals - Manufactured Capital

PRODUCTION

According to the Stellantis Production Way, Tofaş is one of the top three plants in the group in terms of occupational safety, quality, and productivity. Tofaş is committed to digital optimisation practices to increase its productivity and views smart factory projects as a strategic priority.

Tofaş is a production centre that offers globally competitive solutions with its technology, digitalisation, quality and productivity levels. The Tofaş Bursa Plant, where production activities are carried out, has an area of 1 million m², of which 350 thousand m² is covered. The Tofaş plant produces the sedan, hatchback, station wagon, cross and cross wagon models of the Fiat Egea family, as well as the Fiorino model. Tofaş produced 239,428 vehicles in 2023, accounting for 16.3% of Türkiye's automotive production.

Production (units)	2019	2020	2021	2022	2023
Egea	146,103	151,736	116,679	134,844	171,072
Doblò	76,529	68,798	77,520	85,021	9,885
MCV	41,565	30,096	34,345	43,882	58,471
Total	264,197	250,630	228,544	263,747	239,428

WIDESPREAD DEALER NETWORK

The dealer network of the brands represented by Tofaş provides customers with brand new car sales, used car sales, maintenance, repair and spare parts sales services. Almost all Tofaş dealers are integrated facilities where brand new vehicle sales and after-sales services are offered to customers under a single roof. In many dealers, customers are also offered services such as motor insurance, car insurance and car loans.

Serving Fiat, Alfa Romeo, Jeep® and Maserati brands, Tofaş has 71 dealers across Türkiye. Together with the satellite and authorised service points operating under the dealerships, there are 101 Fiat sales points and 136 Fiat service points throughout Türkiye. Alfa Romeo and Jeep® brands have 21 dealers. In addition, there are 3 separate facilities providing maintenance and repair only.

Potential Fiat, Alfa Romeo and Jeep® customers can meet with sales advisors directly through digital sales channels and experience product testing, dealer visits and vehicle purchase without having to go to the dealer.

Customer Satisfaction

Tofaş aims to maintain a high level of customer satisfaction through its advanced logistics and distribution competence, advanced after-sales service capacity, and long-lasting and trust-based business relationships with its dealers. The protection of consumer rights, one of the most important elements of customer satisfaction, is meticulously managed at Tofaş.

Tofaş endeavours to meet the needs and expectations of its customers in the best possible way by complying with the relevant corporate guidelines and legal requirements. In order to better respond to these needs and expectations, regular customer satisfaction surveys are conducted.

Tofaş acts within the framework of a common understanding with dealers and services in the management of customer relations. In this way, it makes the customer experience consistent and reliable.

Vehicle Tracking Application at Services

With the "Vehicle Tracking Application at the Service" developed with a focus on customer experience, customers can instantly check all stages of the maintenance status of their vehicles at the service centre from the digital screens in the waiting areas.

By prioritising vehicle safety and quality, Tofaş supports the development of smart vehicles and works in line with Stellantis' vision of "safety for all passengers". Developing innovations in line with market standards and legal requirements, Tofaş takes active and passive safety measures for the safety of drivers, passengers, other road users and pedestrians. While passive safety systems aim to minimise the loss and damage that may occur in the event of an accident, active safety systems aim to prevent accidents from occurring. In addition, it carries out preventive studies using data science and learning algorithms to predict potential accidents and malfunctions.

Fast Service

In line with the 'speed' philosophy that Tofaş promises as a brand, the 'Quick Service' programme enables customers to reduce the time they spend at the service centre for maintenance and repair operations. Customers who make an appointment by choosing one of the procedures within the scope of 'Quick Service' can get their cars back within one hour.

Fiat Connect Motor Insurance

Tofaş ensures customer satisfaction and loyalty by offering motor insurance policy services at its service centres. Among the most important concerns in the area of policy pricing are issues such as not affecting the policy price of vehicles that are not used for a long period of time and reflecting the costs of people who cause damage to the policies. Tofaş uses various technologies (chatbot, RPA and connect) to develop its 'Smart Motor Insurance' business model, basing pricing on data such as vehicle usage. In cooperation with Aksigorta, policy offers tailored to customers' usage characteristics are provided, providing advantages such as cost savings and avoiding overpayments. This practice, which increases customer loyalty by encouraging safe driving, has developed a data-driven business strategy in the automobile insurance sector that creates value for all partners.

Tofaş attaches great importance to providing customers with accurate and complete information about its products and services. In 2023, full compliance with regulations and codes on product and service information and labelling was achieved and no fines or warnings were received for non-compliance with relevant regulations and voluntary codes in marketing communications such as advertising, promotions and sponsorship.

Respect for customer confidentiality is an important factor that has a direct impact on customer satisfaction. Tofaş complies with local and international legislation on customer privacy. It develops procedures and plans to detect and manage data breaches quickly and effectively.

Tofaş's Capitals - Manufactured Capital

WIDE BRAND AND PRODUCT PORTFOLIO

Fiat

Tofaş represents five brands in the domestic market: Fiat, Alfa Romeo, Jeep®, Maserati and Ferrari.

Egea

The engineering work for the Fiat Egea, which made its debut on Turkish and global roads in 2015 with its sedan body type, was carried out at Tofaş R&D Centre in cooperation with Stellantis. Fiat Egea has a special place in both Tofaş and the Turkish automotive industry as it bears the Tofaş signature in all processes from concept design to product development and launch.

Fiat Egea, which has a wide product range with Sedan, Cross, Hatchback and Cross Wagon body types, has driving features at the highest level of its class and connectivity technologies that are not available in its class.

Fiat Egea, which is also exported from Bursa to the rest of the world under the name Fiat Tipo, was the winner of AutoBest 2016, which awards the best cars in Europe and determines the best car of the year, and managed to become the most preferred car in Türkiye for eight consecutive years between 2016 and 2023. Egea's facelifted body options and the Egea Cross will be launched in 2021. The Egea Cross model was voted 'Türkiye's Car of the Year' by the Automotive Journalists' Association in the year of its launch. In 2022, the new Egea Cross Wagon was added to the range. Egea's diesel automatic transmission and hybrid engine option in sedan, hatchback, Cross and Cross Wagon bodystyles was also offered for sale in 2022. The Egea Hybrid is equipped with a new-generation 1.5-litre 4-cylinder turbocharged FireFly petrol engine with 130 hp and 240 Nm of torque and a 15 kW electric motor with a 48-volt battery. In 2023, the 'Limited' special series was launched as the top version in the Egea Sedan and Egea Cross models.

500

The Fiat 500 is one of the iconic models of the automotive world with its ability to combine the genetic codes of its 66-year history with new design trends and its timeless style. In 2023, the HB DolceVita and Convertible DolceVita versions of the Fiat 500 were offered for sale in Türkiye with the more economical and environmentally friendly 1.0-litre Hybrid 70 HP MT engine option.

500E

The Fiat 500, one of the world's most iconic cars since it first hit the roads in 1957, is now available in a new all-electric version. The 500e is distinguished by its environmentally friendly design, high performance and quiet, vibration-free driving. The first city car in its segment with Level 2 Autonomous Driving Support, the 500e has a WLTP range of 320 km with its 42 kWh lithium-ion batteries.

500X

Launched in 2015, the 500X, the 'crossover' member of the Fiat 500 family, is among the ambitious models of its segment with its quality level, technology, active/passive safety features and comfort equipment. The 'Cross Plus' and 'Soft Top' versions of the 500X, which is equipped with Cross Plus body features and an automatic transmission with a 1.5-litre 130 HP and 240 Nm torque power, the choice of those looking for performance, were put on sale in 2023.

Panda

For 20 years, Panda has been on sale in Türkiye and is preferred for its convenience in urban use, large living space and functionality. Panda was introduced to the Turkish market in 2023 with City and Cross trim levels. Fiat Panda combines fuel economy and performance with its 1.0-litre, 3-cylinder, 70 HP hybrid engine in all equipment levels.

Doblò

For more than 20 years, Doblò has been the pioneer of small commercial vehicles in Türkiye, thanks to its durability, performance and practicality. With the launch of its 5th generation in 2023, Fiat Doblò gained new features in terms of design, technology and safety, and continued to be the leading player in the Turkish light commercial vehicle market with different body options. From May 2023, production of the Fiat Doblò will cease in Tofaş and the new 5th generation Fiat Doblò will be produced at the Vigo plant in Spain on the common commercial vehicle platform.

Fiorino

Fiorino is a product of the Minicargo project, one of the most important projects in Tofaş history. Manufactured in 2007 at Tofaş, the Fiorino is among the most preferred vehicles in the Turkish light commercial vehicle market. The 1.3-litre Multijet, 95 HP diesel engine, as well as the 1.4-litre, 77 HP gasoline engine and factory LPG conversion versions meet different customer needs. The Fiorino's compact design, technological features and economy make it a popular choice for business and everyday use.

Ducato

Ducato is able to meet the various needs of commercial vehicle customers with its van, pick-up truck and minibus body options and versions with the equipment demanded by caravan users. With its front-wheel drive, high load capacity and versatile handling, the Ducato makes a difference in the large-volume van segment and is offered with 140-180 hp engines and 9-speed fully automatic transmission options. Ducato stands out in its class with high performance, technology and safety features, and can perform deceleration, acceleration, automatic stop/start, lane keeping and advanced emergency braking without driver assistance, thanks to the co-driver function with second-level autonomous driving.

Scudo

Entering the Turkish market in 2022, Fiat Scudo's Van body type has been designed to meet modern commercial transport needs. The 5.3 metre long model has a 2+1 seating arrangement and offers an ideal space for commercial activities with its large interior volume. With its 2-litre 145 HP manual engine and 1.3 tonne payload capacity, it offers an effective solution for transporting heavy loads. In addition, thanks to its 6.1 m³ loading volume, it is suitable for jobs that require a large loading area.

Ulysee

Launched in 2022 as an ideal option for large families, tourism transport and companies transporting their own personnel in Türkiye, Fiat Ulysee with car licence attracts attention with its modern design and features. Equipped with high safety and comfort equipment, Ulysee, which has a seating capacity of 8+1 and a large interior volume, offers high performance both in the city and on long journeys with its 2-litre 180 HP diesel engine and automatic transmission.

Alfa Romeo

Tonale

Symbolising the transformation of the Alfa Romeo brand, Tonale combines the brand's DNA with the most advanced technology and electrification. Receiving 5 stars from Euro NCAP, Tonale offers many driving safety features as standard with its second level autonomous driving feature. With automatic transmission, Tonale is available in the Turkish market with the 1.5-litre hybrid turbo petrol engine with 160 HP power and 240 Nm maximum torque, and the 130 HP 1.6-litre diesel engine with 320 Nm torque. In addition, the Tonale Plug-in Q4 hybrid version, launched in 2023, offers 3 different engine options in its product range. The Alfa Romeo Tonale is available on the Turkish market in three different versions: Sprint, TI and Veloce.

Tofaş's Capitals - Manufactured Capital

Stelvio

Alfa Romeo entered this class by producing its first SUV model, the Stelvio, in 2017. Renewed in 2023, the Stelvio was offered for sale in the Turkish market as of March 2023. Stelvio, the luxury sporty SUV of the brand, reinforces the 'Timeless Design' concept that started with Tonale with advanced technologies. The renewed Stelvio, with its 4-cylinder 2.0 litre 280 HP, 400 Nm torque producing all-wheel drive engine with aluminium block, can be preferred in 2 different versions, the launch special series Competizione and Veloce equipment levels. Stelvio has a Euro NCAP 5 star rating with its first class technology, innovative platform and 97% safety score.

Giulia

The Alfa Romeo Giulia, which has been available on the Turkish market since 2017, has been renewed in 2023. The renewed Giulia, with its 4-cylinder 2.0 litre 280 HP, 400 Nm torque producing all-wheel drive engine with aluminium block, can be preferred in two different versions, the launch special series Competizione and the Veloce equipment level offering exciting sportiness.

Jeep®

Compass

Compass brings the strong heritage of the 80-year-old Jeep® brand into the present with product features, driving dynamics and in-vehicle technologies that meet new consumer demands. Compass sets itself apart in its class with its unique character, supporting the Jeep® brand's distinctive design cues and driving characteristics with advanced safety and connectivity technologies. In addition to the 4xe Plugin Hybrid engine option previously introduced to the market, Compass offers two different engine options in its class with the e-Hybrid added to its portfolio in April 2023.

Wrangler

One of the most important and iconic models in the history of the Jeep® brand, Wrangler offers a combination of a 2.0-litre 272 hp petrol engine and 8-speed automatic transmission, superior 4x4 capability and comprehensive safety features. Wrangler is recognised as the best in its class for ground clearance, approach and departure angles and off-road capability.

Renegade

Designed in America and manufactured in Italy, Renegade is a member of the Jeep family in the small SUV class. First introduced to the Turkish market in 2014, the Jeep Renegade has been renewed in 2023 with innovative technology features, a new e-Hybrid engine option and superior safety levels. The Renegade e-Hybrid engine option, which requires no recharging and can be operated in pure electric mode, offers low emissions and fuel consumption as well as a pleasant driving experience.

Avenger

The Jeep® brand's first all-electric model, the Jeep Avenger, which made its world debut in 2022, was launched in Türkiye in November after being named 'Car of the Year 2023' in Europe. The Avenger is a forerunner of the brand's product range, which will include all-electric vehicles by 2030.

Jeep® is the first to bring Jeep® DNA to life. Avenger brings Jeep® DNA to compact dimensions, offering 6 different driving modes with Selec-Terrain. It also combines ergonomics with its 34-litre intelligent storage space, iconic Jeep design with functionality and advanced technology with its 7-split front grille and two-stage headlights, a modern interpretation of the legendary Jeep® Cherokee XJ model of the 1980s.

Lancia

In line with brand strategies, the Lancia brand is only available on the Italian market with the Ypsilon model. In 2015, sales of the Lancia brand were discontinued on the Turkish market, although after-sales services are still provided.

SUPPLY CHAIN

Since its inception, Tofaş has attached the highest importance to localisation and reducing foreign dependency in the Turkish automotive industry. To contribute to the development of local suppliers, Tofaş procures 75% of its direct material purchases from local suppliers and aims to increase this ratio to 90% by 2030. With a competitive position as a manufacturing centre, Tofaş continues its skilled localisation efforts to support the global competitiveness of its supply chain in Türkiye.

Through its position within Stellantis, Tofaş also acts as an important bridge for the development of its suppliers in Türkiye. Tofaş is committed to creating a supply chain that is financially strong, operationally green and reliable in terms of production quality and continuity. To this end, it contributes to the continuous development of its suppliers, their achievement of organisational excellence, their adoption of a culture of sustainability, and their increase in business success and productivity.

Tofaş's main areas of procurement are direct materials, spare parts and industrial services. In 2023, the total budget value of purchases belonging to all these processes will be €2.5 billion. Tofaş works with more than 3,000 suppliers in its procurement processes and purchases from 141 direct material suppliers located in 14 cities in Türkiye. Tofaş carries out activities to improve its supplier network in line with new vehicle projects and emerging automotive technologies.

The main products sourced through domestic direct material procurement include sheet metal stampings, forged and cast machined parts, mechanical and electromechanical components, electrical installations, plastic and rubber injection products, seats, door panels, glass, torpedo, bumper, exhaust, chemicals, interior and exterior trim parts and fasteners. A wide range of services and industrial purchasing activities are carried out to ensure the continuity of production. These include the purchase of investments, contracts, services, training and consultancy, software, services, machinery and consumables.

Risk Management in Supply Chain

Tofaş assesses the sustainability risks posed not only by its operational processes, but also by its entire supply chain. It aims to anticipate, manage and monitor environmental, social and economic risks that may arise in the supply chain. The risk assessment process aims to develop action plans in advance, using the most efficient and innovative methods.

Tofaş provides financial and operational support to its suppliers to enable them to take advantage of development opportunities in managing sustainability risks. In this context, it regularly evaluates the performance of its suppliers against specific criteria and prepares development plans.

Tofaş Financial Risk Management Unit conducts audits with the help of an impartial third party to identify financial risks in the supply chain. Social and environmental risks in the supply chain are also identified through efficient and comprehensive audit reviews. Following the audits, development plans are implemented to improve supplier performance.

Tofaş fully complies with Directive 2000/53/EC and GADSL (Global Automotive Declarable Substance List) standards. All parts supplied by the supplier industry are meticulously checked for harmful substances such as lead, mercury, cadmium and +6 chromium using the International Material Data System (IMDS). All materials used at Tofaş do not contain banned chemicals and are managed in an environmentally safe manner.

Tofaş's Capitals - Manufactured Capital

Sustainability in the Supply Chain

Tofaş works with its suppliers to achieve its sustainability goals and closely monitors their sustainability performance. In this way, it aims to raise sustainability standards.

Tofaş uses the Ecovadis platform to measure the sustainability performance of its direct material suppliers. While Tofaş does not start working with potential suppliers that do not have an appropriate score, efforts are made to improve the performance of existing suppliers by offering development opportunities to those whose sustainability performance is not at the desired level. Tofaş has asked 35 critical suppliers to prepare emission reduction roadmaps in line with Tofaş and plans to complete this work by the end of 2024.

An Environmental, Social and Governance (ESG) assessment questionnaire is also used for indirect suppliers and these lists are communicated to critical suppliers. As of next year, it is planned to start on-site audits of all suppliers according to risk groups.

Supply Chain Compliance Policy

Tofaş manages its value chain network in an effective and sustainable manner. It aims to have the same ethical values and working principles as its stakeholders and to create a value chain focused on continuous development. To this end, Tofaş has defined the scope of its Supply Chain Compliance Policy to guide its business partners. All suppliers are expected to act in accordance with this policy.

Tofaş Supply Chain Compliance Policy is available [here](#).

Green Purchasing

Tofaş's green procurement efforts are based on spreading sustainability culture throughout the supply chain and emphasising products and services with low environmental impact. With its green purchasing approach, Tofaş aims to reduce the environmental impact of its suppliers' production processes and services, improve their environmental performance, and minimise environmental risks.

Tofaş audits suppliers in terms of environmental and social criteria. Tofaş aims to create action plans for auditing all domestic direct material suppliers on environmental and social issues and to complete the audits by 2025. Tofaş also aims to increase the CDP response rate on climate change and water to 10 per cent among its domestic direct material and logistics suppliers, and to reduce the carbon footprint of its supply chain by 55 per cent in line with the Paris Agreement by 2030.

In 2023, 16 suppliers were audited against environmental and social criteria.

Within the scope of green purchasing activities, 12 suppliers were prioritised. These companies account for 45% of the total amount of waste, 39% of water consumption, and 34% of carbon emissions from all Tofaş suppliers. As a result of the site visits and current situation analyses conducted for the selected suppliers, actions were defined to improve environmental and energy-based performance. Action plans are regularly monitored.

All direct material suppliers of Tofaş have ISO 14001 certification.

Optimisation in Logistics Processes

Optimisation of logistics processes plays an important role in increasing the efficiency and sustainability of supply chain management. Tofaş implements various projects to optimise its logistics processes. In addition to increasing the efficiency of logistics processes,

these projects serve the purposes of ensuring environmental sustainability and reducing operational costs. In 2023, 10 different projects were initiated in this context and are expected to be completed in 2024.

Project	Aim of the Project
Network design optimisation	Strategic positioning of transport and storage points.
Plastic reuse	Minimisation of environmental impacts
Transport planning synergy	Reducing costs and environmental impacts by integrating different logistics activities in transport processes
Dispatching Completely Built Unit (CBU) vehicles directly from the completed vehicle parking area	Acceleration of the transport process and reduction of costs
Import transport saturation optimisation	Load optimisation to reduce empty returns and transport costs
Milk run route optimisation	Increasing efficiency and reducing costs with mass transport.
Reducing the use of wood and styrofoam in wooden crates	Use of more sustainable and environmentally friendly material alternatives
Use of recycled aluminium-coated nylon	Reducing environmental impacts and increasing resource efficiency
Cardboard packaging durability	Less damage and loss in transport and storage processes

Tofaş's Capitals - Manufactured Capital

Term	Logistics Actions and Targets
Short Term (2024)	<ul style="list-style-type: none"> • Measurement of CO₂ fields and autonomous measurement • Route optimisation and saturation improvement • Review of carrier contracts Request Ecovadis reporting for K0 • Optimal digitalisation of the supply chain and carrier suppliers • Circular transport in CBU R&D and spare parts transport • Delivery from the completion area or transport by electric tow truck to the parking area • Benchmarking and setting period-based numerical targets
Medium Term (2030)	<ul style="list-style-type: none"> • Logistics with alternative energy • Paperless logistics • Sustainability levels in carrier selection criteria • Co-operation with suppliers and/or group companies • Economic and social aspects of sustainability
Long Term (2050)	<ul style="list-style-type: none"> • Renewable equipment and equipment energy • Railway connection (material and CBU)

Digitalisation in Supply Chain

Understanding the importance of digitalisation in the supply chain, Tofaş optimises its supply chain through innovative projects and technologies and continues its efforts to create a sustainable supply network.

Robotic Process Automation

Purchasing and supply chain departments continue their activities to increase competitiveness by using up-to-date methods and simplifying their business processes through digitalisation.

Material Procurement Process Automation

In 2022, Tofaş commissioned the Material Supply Process Automation (Control Tower), a management system consisting of algorithms that can fully autonomously manage the material procurement processes of the supply chain and make the right decisions. This system can digitally monitor all logistics movements with simulation and optimisation algorithms and make decisions in unplanned situations. The system, which processes data from different databases using various tools such as RPA, Python and SQL, not only increases efficiency but also ensures process continuity in times of uncertainty and crisis. The dissemination of this project will continue in 2023.

Prospect Supplier Application Portal

The Prospect Supplier Application Portal, which will be launched in 2021, allows companies that want to become suppliers of Tofaş to apply digitally. The portal aims to digitally record applications and evaluate new business opportunities for both suppliers and Tofaş.

Industrial Cost Efficiency Project

Tofaş launched the Industrial Cost Efficiency Project (ICE) in 2021 to improve the cost and efficiency-based perspective of its industrial suppliers, and to evaluate their ideas by including them in the cost improvement process. Thanks to this project, suggestions from industrial suppliers will be collected and evaluated through the ICE system, resulting in cost benefits.

Supplier Development Activities

Tofaş always prioritises the business partnership approach in its purchasing activities. It implements processes that contribute to the development of its suppliers in areas such as product design, organisational and technical development, quality, cost improvement, physical and financial risks, production process improvement, joint purchasing and sustainability.

The SPW (Stellantis Production System) adopted by Tofaş is a methodology for systematically improving competitiveness in production and aims to achieve 'zero' in terms of occupational safety, quality, cost, delivery and environment. As part of this, activities are being carried out to improve production standards in the plants of 37 suppliers, which account for 45% of total procurement expenditure. Tofaş leads the implementation of the SPW methodology by its suppliers. In the Stellantis global supplier ranking, four of Tofaş's domestic suppliers are ranked at the Bronze level. These suppliers are among the 11 best performing suppliers of Stellantis.

Connected Supplier

Tofaş brings together suppliers, start-ups and technology providers through a process called 'Connected Supplier'. With this ecosystem, it supports its suppliers by enabling the dissemination of digital projects. The innovations generated 180 new ideas, while 120 different projects with appropriate technical solutions and feasibility were commissioned.

Predictive supplier

The Predictive Supplier initiative reactively resolves supply chain failures by developing machine learning methods with parameter tracking and predictive approaches at the process points where failures occur. This will predict and prevent defects in advance and ensure continuous improvement. In 2023, a total of 11 projects, including 2 new processes and 9 dissemination projects, were implemented and a preventive level was achieved in the relevant parts.

Measuring digital maturity

In order to support the digitalisation journey of its suppliers, Tofaş started to measure the added value and "digital maturity" level of its suppliers in 2021 thanks to the cooperation with the MEXT Technology Centre affiliated to MESS.

Tofaş's Capitals - Intellectual Capital

INTELLECTUAL CAPITAL

Tofaş acts with the vision of being the leading automotive company offering the best value and mobility solutions for its customers. The company aims to improve the quality of life of its customers with the products and services it offers. Tofaş's main strategic goals in R&D and innovation are to develop customer-oriented innovative vehicles in a market

shaped by sustainability technologies, to become a globally competitive product and technology development centre, and to effectively use the advantages offered by digitalisation to increase the value proposition offered to customers and the total value generated. In addition, Tofaş is constantly expanding its scope of activities to respond to global automotive software needs.

2023 AT A GLANCE

- 1,220 million TL was allocated on R&D activities.
- Tofaş R&D Centre, which has more than 900 employees, has 120 employees with master's degrees and PhDs by the end of 2023.
- Over the past 18 years, Tofaş R&D Centre has worked on more than 200 projects with 50 different universities within the framework of university-industry cooperation projects.
- Tofaş R&D Centre has completed 21 of the 32 European Union (EU) projects it has participated in and has received acceptance for 8 new projects.
- With 33 new patent applications, the total number of patent applications reached 237.
- In the field of digitalisation, 287 projects were completed and the number of digitalisation projects carried out in the last 5 years exceeded 1,700.
- Tofaş Academy's programme to promote technological literacy and digital transformation culture was attended by 691 field employees.
- Stellantis began preparations for the industrialisation and development of the K0 project, which will be produced for four different brands.
- In the field of power and control system development, software development activities for internal combustion engines, hybrid and electric vehicles were accelerated.
- Within the Tofaş Academy, the number of qualified employees reached 40 in IoT, 292 in RPA, 97 in Business Intelligence, 92 in Image Processing and 25 in No Code - Low Code.
- As part of the Optimus initiative, which aims to support Tofaş employees in developing digitalisation projects, 154 Tofaş employees led a total of 298 projects.

R&D CENTRE

Tofaş R&D Centre was established in 1994 and registered by the Ministry of Industry and Trade in 2008. Tofaş R&D Centre has the required competencies to fully design a vehicle within the scope of product engineering. Tofaş R&D, which continues its activities with the aim of becoming a globally competitive product and technology development centre, carries out its research activities according to certain strategic objectives and focuses on three main areas: Meeting the public's mobility needs, environmental sustainability and productivity growth.

Tofaş R&D Centre focuses on developing and successfully launching new product projects in line with market needs and improving existing products according to expectations. In this context, it carries out research and development activities including mobility, electrification, connected vehicles, software and related technologies by continuously improving the design, performance, energy efficiency and sustainability of its products and services.

Tofaş, one of Stellantis' main R&D centres, has twice been awarded the "Most Successful R&D Centre in the Automotive Sector" by the Ministry of Science, Industry and Technology. The Tofaş R&D Centre, which has the know-how and expertise to develop complete vehicles from scratch, is also one of the Turkish companies with the highest R&D expenditure. Total investment made in the Tofaş R&D Centre's testing laboratory and equipment infrastructure until 2023 exceeds €64.4 million. Tofaş R&D, which is building a global infrastructure in the field of vehicle development, has a total of 20,110 m² of laboratory and office space.

In 2023, Tofaş R&D Centre's resources increased by 20%. With more than 900 employees, Tofaş R&D Centre has 120 employees with master's and PhD degrees as of 2023. In 2023, the experience of Tofaş R&D engineering teams in international projects has been deepened and their advanced engineering capabilities were reflected in global processes. The Tofaş R&D Centre aims to continuously increase the capacity of the automotive ecosystem by enabling more than 300 outsourced engineers to participate in vehicle development processes in a way that increases Türkiye's potential.

Tofaş R&D Centre acts as an engineering export centre for global product projects. In addition to its own models, Tofaş also plays an active role in the product development projects of Stellantis brands and models produced in different parts of the world. By increasing its responsibility in Stellantis product projects, Tofaş contributes significantly to our country's economy, industry and R&D accumulation through engineering exports.

Tofaş R&D Centre is constantly expanding its scope of activities to meet the needs in the field of global automotive software. In addition to its engineers' skills in vehicle design, advanced materials, simulation and mathematical modelling, the centre is also focusing on developing digital skills that will contribute to the growth of innovative approaches such as automotive software and connectivity.

Tofaş R&D Izmir Branch

Tofaş is expanding its activities in the field of automotive software with the Product Development and Automotive Software Branch of its R&D Centre, which was established at Izmir Technical University's Tekno Park Software Centre. Stellantis is taking its responsibilities in areas such as component design, virtual-physical verification and prototype production for various brands and models in the Stellantis world to a higher level.

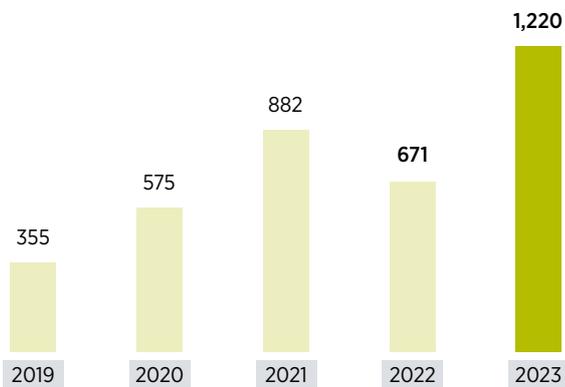
In an environment where the place and importance of software in the product development process is increasing day by day, Tofaş R&D Izmir Branch aims to meet both local software needs and global needs in the field of automotive software by becoming a part of Stellantis' software-centric growth strategy. Tofaş R&D Izmir works on infotainment system software, powertrain software calibration applications, data science and artificial intelligence applications, smart vehicle architecture, autonomous driverless vehicle solutions, connectivity solutions, automotive cybersecurity, and management and optimisation algorithms in fleet services.

Tofaş's Capitals - Intellectual Capital

R&D Investments

In 2023, R&D expenditures increased by 82% to TL 1,220 million as investments in R&D projects gained weight.

R&D EXPENDITURES (TL MILLION)



Collaborations

In order to increase Türkiye's international recognition as a product development centre, all elements of the R&D value chain need to be addressed together. Tofaş attaches particular importance to joint design development, the organisation of local engineering companies, and cooperation with universities. Tofaş R&D Centre has worked on more than 200 projects with 50 different universities in the last 18 years as part of university-industry cooperation projects carried out in parallel with its technology development activities.

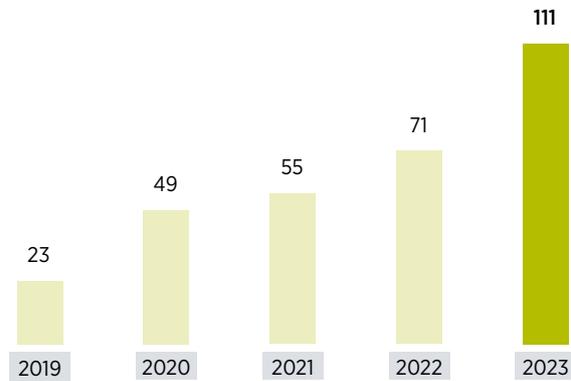
Tofaş R&D Centre collaborates with stakeholders from different sectors in order to develop products and processes, and through the advanced research projects it works on, it ensures efficiency and generates solutions to social and environmental problems. In this context, Tofaş develops innovative, environmentally friendly projects with high added value thanks to the support it receives from the European Union and TÜBİTAK and the cooperation opportunities created by these platforms. In 2023,

Tofaş R&D Centre completed 21 of the 32 European Union (EU) projects in which it participated and received the acceptance of 8 new projects. Thus, the number of ongoing EU projects reached 19. Within the scope of these projects, Tofaş R&D Centre worked with more than 400 international project partners.

Intellectual Property Rights and Academic Contributions

Tofaş R&D Centre aims to increase the number of patent applications every year with new projects and innovative ideas that provide added value. With 33 new patent applications in 2023, the total number of patent applications reached 237. Tofaş R&D Centre obtained patent registration for 111 of these applications. Tofaş R&D Centre has published 10 articles in prestigious academic journals and presented nearly 70 papers at national and international conferences.

NUMBER OF PATENTS OBTAINED



INNOVATION AND DIGITALISATION

Tofaş shapes its strategic priorities and practices by taking into account technological developments, changing market and customer requirements. To continuously improve its competitiveness, the company considers digital optimisation applications for productivity purposes and smart factory studies among its strategic priorities.

Investments and Projects

As a fundamental part of digitalisation, Tofaş continues to invest in the development of information technologies such as wireless and mobile networks, cloud architectures and cybersecurity, while improving the quality of existing databases. In 2023, 287 projects have been completed and the number of digitalisation projects in the last five years has exceeded 1,700. In 2023, technologies such as the Internet of Things (IoT), advanced analytics and machine learning, image processing and collaborative robots (cobots) stood out.

- Much of the equipment used in production is connected to IoT platforms, enabling instant monitoring of critical equipment parameters. In this context, the total number of projects reached 871, with 110 projects implemented in 2023, enabling early intervention in potential problems.
- A total of 98 business process digitalisation projects were implemented in 2023, with the number of completed projects reaching 370. These projects will facilitate workflows and generate significant savings.
- Between 2016 and 2023, 79 projects will be carried out using new-generation image processing and machine vision technologies to guarantee critical quality control processes.
- Thanks to the cobots used by Tofaş in production, some operations that require robots and humans to work together are automated. In this context, three new collaborative robot projects were commissioned in the press and body shops in 2023.

- With 62 different projects related to data science, artificial intelligence and machine learning technologies, processes that are particularly difficult to perform manually are being optimised. These technologies offer significant opportunities and improvements in safety and productivity.

To develop data literacy and support the implementation of data-driven analytical projects, the Big Data processing infrastructure was expanded and improved, allowing employees to develop their own analytical scenarios by combining data from internal and external sources. This infrastructure was used to deploy self-service analytics products and low-code/no-code tools, which are rapid software development methods. Investments to continue the robotic transformation of basic infrastructure and office processes have gained momentum and reached the point of supporting organisational agility. In the coming period, Tofaş will continue to approach digitalisation projects with a focus on benefits. It will continue its digital transformation journey by integrating new technologies, such as productive artificial intelligence and Chat GPT, into its business processes.

Spot Weld Wizard: Spot Welding Parameter Traceability System is a digital welding management system developed to ensure chassis-based traceability of welding parameters in robotic spot welding applications in the body shop and to manage the parameters from a central platform.

Garanti 4.0: The first software in the Turkish automotive market that enables real-time tracking of warranty complaints in technical services. With its early warning systems and remote diagnostic modules, this software enables rapid analysis of customer complaints and an earlier start of the resolution process.

Contactless Service: This system enables customers to perform the acceptance, spare vehicle, additional work approval, delivery and mobile payment stages of the service processes in a fully digital and contactless manner.

Tofaş's Capitals - Intellectual Capital

Pusula Integrated Talent Management Portal:

Pusula is an integrated application that allows managing Human Resources Talent Management processes in a data-oriented and artificial intelligence-supported manner. It carries out competence management, development and career planning, and human resources analytics processes in an integrated manner. At the same time, it supports the development of technical and digital competences of Tofaş employees by forming the system leg of the "Reskill/Upskill" Competence Development project at Tofaş.

Paint Shop Booth Start Times Estimation:

It estimates the actual start-up times of the booths of different paint types in the paint shop with the help of artificial intelligence and prevents energy losses due to waiting.

Smart Quota and Vehicle Assignment to Dealers

Project: This project enables the assignment of various parameters such as dealer quota, financial status and vehicle availability target for the vehicles produced and planned to be produced to dealers with a machine learning supported automation system.

Talent and Ecosystem Development

Two important elements for the successful implementation of digitalisation and innovation efforts are the dissemination of this culture and competence within the company and the expansion of the ecosystem to include appropriate solution partners. As part of the corporate initiative approach, Tofaş collaborates with other Koç Group companies, NGOs, universities, incubation centres and angel investment institutions in regular programmes to improve customer and employee experience and productivity.

Tofaş has established areas of expertise to guide the acquisition and implementation of key technologies such as data science, machine learning, IoT and RPA, and has started to develop a platform management system to expand the ecosystem. Within the scope of the Data Science Programme launched by Tofaş in 2019, the number of people

competent in artificial intelligence reached 124 through online training and full-day consultancy. In order to accelerate the development of digital competencies on the technical side, the Acceleration with Digital Development Programme was designed and development programmes were organised in six competencies. Tofaş Academy has reached 40 competent employees in IoT, 292 in RPA, 97 in business intelligence, 92 in image processing and 25 in no-code-low code.

Tofaş Academy aims to spread technology literacy and the culture of digital transformation within Tofaş and across the value chain. To this end, it has developed a cultural transformation programme in collaboration with technology partners to ensure the spread and ownership of technology literacy and digital culture. As part of the programme, specialised training, classroom training and video training will be organised. In 2023, 691 field staff benefited from this training.

Intrapreneurship

Through its in-house entrepreneurship programmes, Tofaş supports its employees in acquiring new skills and implementing their projects by generating creative ideas using innovative methods. By bringing together employees from different disciplines, Tofaş aims to create an effective, focused, innovative, agile and collective working environment and to create work that shapes the future and creates value.

- In the "My Project" intrapreneurship programme, Tofaş employees' projects in product, service and process categories are evaluated by a jury; idea owners who reach prototype level and successfully complete investor presentations are rewarded.
- The suggestion system "Kaizen" programme encourages employees to produce innovative solutions, especially in areas where they see opportunities for improvement in production. Tofaş employees working in production functions aim to reach a certain number of suggestions each year; the owners of projects that are implemented during the year and that achieve success are rewarded.

- Tofaş employees can submit their project proposals throughout the year via the “Idea Bank Platform”, where calls for in-house entrepreneurship programmes are announced and ideas are collected.
- “HackYourJob” intrapreneurship programme is conducted with the support of Koç Holding, Microsoft and KoçSistem to help employees learn basic coding methods, design their own applications and develop creative solutions. As part of the Hackathon, Tofaş employees receive Microsoft Power platform training for 3 days and work in teams to realise their project ideas.
- Within the scope of the Optimus initiative, which is carried out to support Tofaş employees to develop digitalisation projects, 154 Tofaş employees led a total of 298 projects in 2023.
- Launched in 2023, “Value Stream Platforms” encourage Tofaş employees to develop innovative projects in line with the company’s vision, mission, goals and strategic priorities. This system enables employees to develop new ideas and lead these projects according to their interests and competences, as well as to take part in existing innovative projects.

Fiat Connect

Fiat Connect, a connectivity technology developed by Tofaş, is the first remote access technology in its class that has changed the habits and interactions with the automobile of its users in Türkiye. Fiat Connect, which is activated by a device plugged into the vehicle’s electronic control unit, was launched in 2018 as a web and mobile-based support service. The application makes it easy for users to learn details about their vehicles, including service history, and to carry out transactions; it enables them to receive special reminders such as personalised campaigns and periodic maintenance.

Fiat Connect continues to be constantly updated in line with changing customer needs and developing technology. Innovations made in 2023 in Fiat Connect application:

- Fiat was the first in Türkiye to introduce the Smart Service & Subscription model, which was created using connected vehicle technology. With the changing service payment method, an all-inclusive authorised service is provided with a fixed price guarantee for two years, without being affected by price increases due to exchange rate or inflation, by making monthly subscription payments based on the kilometres travelled.
- It is now possible to create a long-term car rental request for Fiat brand vehicles via Fiat Connect.
- Fiat Connect users have instant access to vehicle health data including details such as battery status, tyre pressure status, engine oil information, ADBLUE and DPF information, fuel quality, fuel and range information; they can easily view warnings in case of any negative situation.
- With the “Shine the Star of the Day” gamification fiction, Fiat Connect users are entitled to spin the wheel at the weekend by completing the tasks assigned to them within the application every day, and each user who spins the wheel is rewarded.
- With the Fiat Connect ambulance service, proactive ambulance routing was carried out in 127 cases between 2018 and 2023, standing by customers when they needed support the most.
- Based on its commitment to develop smart vehicles that offer services and support to the driver in terms of safety, comfort and environmental awareness, Tofaş aims to add a safe driving habits category to the “Fiat Connect” application and increase the number of users of the application by 2025.

Tofaş's Capitals - Human Capital

HUMAN CAPITAL

Tofaş recognises its employees as its most valuable capital. It endeavours to ensure high motivation for all employees by recruiting employees with the most appropriate qualifications. Tofaş has a working environment built around respect and trust. There

is a healthy and safe working environment where respect and trust are at the centre, where employee development is taken into consideration, and which adds value to the social life of employees. Tofaş carries out supportive processes not only for its own employees but also for potential young professionals.

2023 AT A GLANCE

- As of the end of the year, Tofaş's total number of employees was 5,900, and the percentage of female employees was 11.8%.
- The proportion of women in Tofaş's new hires is 29.8%.
- The rate of determining a career plan through the "Compass Career Planning" system is 85%.
- At Tofaş, 9% of promotions and 12.2% of middle and senior level employees are female.
- 361 employees participated in the Digital Competence Development training program offered by Tofaş Academy.
- Tofaş was recognized as the second company with the highest number of disabled employees in Bursa by the Ministry of Labor and Social Security in 2023. As of 2023, Tofaş has 171 disabled employees.
- 5,900 employees and 7,952 spouses and children were included in complementary health insurance.
- In 2023, 347 more people started to benefit from the "One More Support for Education from Tofaş" scholarship programme, which is available to the children of employees, bringing the total number of people receiving support to 3,417.
- 4,927 field employees received 66,040 hours of OHS training and 4,135 contractor employees received 3,101 hours of OHS training, totalling 69,131 hours. Tofaş's training expenditures were recorded as TL 4.8 million as of the end of 2023.

HUMAN RIGHTS

Human rights at Tofaş are managed by the Tofaş Ethics Committee, which reports to the Board of Directors. Tofaş recognises the United Nations Global Compact, to which Koç Holding, one of its

main shareholders, is a party, as binding and aims to achieve 100% compliance with these principles. All implementation procedures in this regard are transparently disclosed to the public in sustainability reports.

Tofaş prioritises the following international standards and principles with regard to human rights:

- United Nations Guidelines on Human Rights and Business (2011)
- United Nations Global Compact (2000)
- ILO Declaration on Fundamental Principles and Rights at Work (1998)
- OECD Guidelines for Multinational Enterprises (2011)
- Women's Empowerment Principles (2011)

Tofaş has been a signatory of the United Nations Women’s Empowerment Principles (WEPs) since 2017. In line with Tofaş Code of Ethics, Tofaş recognises gender, age, ethnic origin, religious beliefs, life and expression styles, and all mental and physical differences as an asset. Tofaş uses this diversity to create value and reflects this approach to all human resources processes and policies.

Adhering to the principles of the “Universal Declaration of Human Rights” and the “ILO Declaration on Fundamental Principles and Rights at Work”, Tofaş treats all its employees and all stakeholders affected by its activities in an honest and fair manner. In this context, Tofaş creates and maintains a safe and healthy working environment free from discrimination and respectful to human dignity.

Violations of employee rights, child labour, forced and compulsory labour, and discrimination are strictly prohibited at Tofaş. Tofaş aims to extend this approach to human rights throughout its value chain and expects its suppliers and business partners to adopt the same principles. In this respect, the “Supply Chain Compliance Policy” has been published to determine the standards that suppliers and business partners must comply with.

Protection of employees’ trade union rights is also among the issues that are followed with the same care. Tofaş employees have the right to collective bargaining and organisation. Moreover, Tofaş expects its suppliers and business partners to adopt the same attitude towards the protection of trade union rights.

INCLUSIVENESS AND DIVERSITY

Tofaş believes that diversity is not only a source of richness for the corporate culture but also an important criterion for success. Accordingly, employees are evaluated according to their knowledge, abilities and skills in recruitment and other human resources processes. There is no discrimination based on age, gender, belief, ethnic origin or similar reasons in any labour process. The principle of “equal pay for equal work” is adopted in determining the salary levels of employees and equal opportunities are offered to all employees for work of the same value.

Tofaş believes that equal participation in employment is one of the most important factors for the progress of society and accordingly encourages the participation of female employees in the workforce. Tofaş focuses on increasing the ratio of female employees in recruitment, and as of 2023, the ratio of newly recruited female employees is 29.8%.

Tofaş was recognized as the second company with the highest number of disabled employees in Bursa by the Ministry of Labor and Social Security in 2023. As of 2023, Tofaş has 171 disabled employees.

Tofaş aims to increase the number of women and disabled employees by strengthening its practices until 2026. In this context, it is planned to increase the ratio of female employees from 24.5% to 35% and the ratio of disabled employees from 2.9% to 5%. Furthermore, Tofaş aims to increase the proportion of women working in technology and innovation from 20.20% to 30% and the proportion of women working in technology and innovation management from 13% to 20% by 2026.

	2019	2020	2021	2022	2023
Female Employee Promotion Rate*	9%	5%	29%	9%	8.6%
Ratio of Female Employees	10.3%	9.7%	10.1%	10.1%	11.8%
Female New Hire Rate	33%	28%	21%	28.45%	29.8%
Proportion of Female Mid-Senior Level Employees	5.9%	5.9%	5.9%	5.9%	12.2%

	2023	Target (2026)
Female Employee Ratio*	24.5%	35%

*Office employee

Tofaş's Capitals - Human Capital

TALENT MANAGEMENT

The recruitment process in talent management plays a vital role for the success of the organisation. Recruitment starts with identifying, attracting and hiring the right talents. This process, which aims to select individuals with the competences and skills that will enable the company to achieve its goals, is meticulously managed at Tofaş.

Tofaş Human Resources aims to select the most suitable candidate by using reliable tools such as competency-based and technical interviews, video and telephone interviews, assessment centre applications, artificial intelligence tests related to technical fields, personality inventories and reference checks.

In addition to external resources, internal advertisement system is also used to create a candidate pool by publishing job advertisements in all Koç Group companies. Within the scope of early talent management, the candidate pool is nurtured through various short and long-term internship programmes, while the adaptation and development of employees is supported through the "Assessment Centre" used in the selection of managerial roles and digital pre-boarding and post-boarding orientation (Onboarding) practices to accelerate the adaptation of new employees.

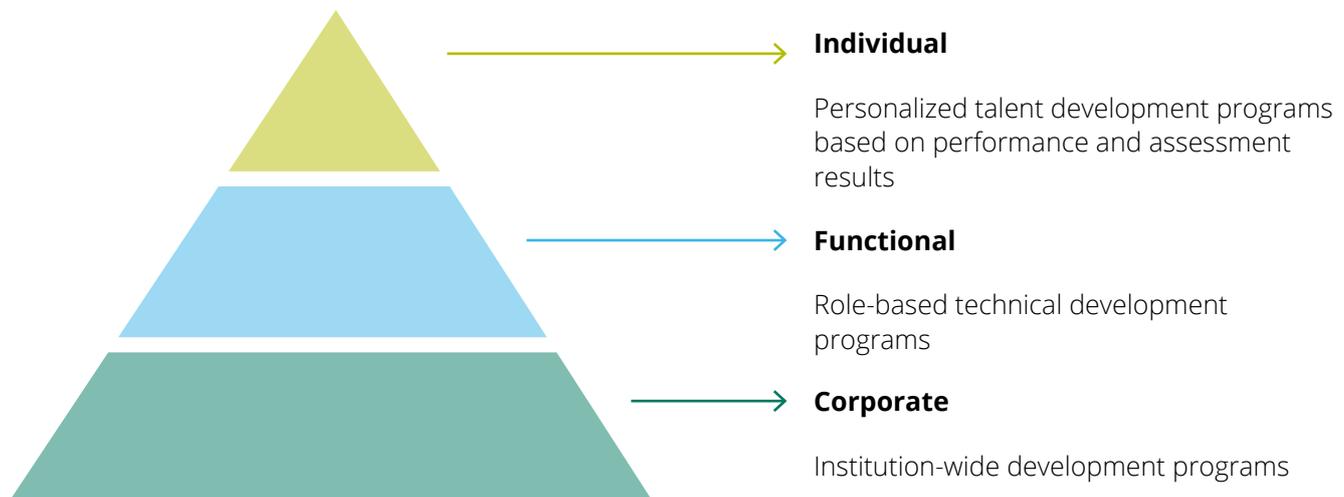
Employee Development

Tofaş offers various training programmes to enhance the competencies of its employees and support their professional development. In 2023, all employees received a total of 123,772 hours of training. The average number of training hours per person was 52.1 for office employees and 4.9 for field employees.

	Tofaş	Dealer	Supplier
Total Training Hours	123,772	52,262	2,448
Total Number of Participants	26,456	2,993	294
Average Education Per Capita	22.5	4.9	8

Tofaş Academy

Tofaş Academy provides training and development services to approximately 15,000 people, including Tofaş employees, dealer organisation, customer care centre and supplier employees. With 183 internal trainers and 283 internal mentors, the Academy provides 90% of its technical training by using internal resources. Leadership and behavioural development programmes are tailor-made by both internal resources and expert trainers. Tofaş Academy acts with the vision of "providing Tofaş and its value chain with the most appropriate learning experience to help them do today's job better and prepare for the future".



Corporate Development: In the corporate development step at the bottom of the pyramid, legal and regulatory requirements such as occupational health and safety, information security, Stellantis Production Way and ethical rules that should be widespread throughout the entire organisation are addressed. Development programmes specially designed for leaders and employees aiming to internalise the remote working culture throughout the company after the pandemic conditions are also included in this scope. Corporate development is generally supported by online development tools and face-to-face trainings through Tindex, the Learning Experience Platform (LXP) created by Tofaş Academy.

Functional Development: In the functional development stage, trainings prepared by Tofaş internal trainers are provided in order to develop 3,680 competences related to 342 roles required by the functions. Technical trainings are offered in four different models: self-service, flip-face, hybrid and mentoring, according to the learning styles of the participants.

- **Self-service:** For those who prefer independent learning, it is a tool consisting of development actions, videos and reading material that they can work on at any time throughout the year.
- **Face-to-Face:** It is a development tool where the participant experiences in all learning environments (distance and face-to-face), completes the asynchronous curriculum before face-to-face training, and then comes together with the trainer and practices.
- **Face-to-Face (Hybrid):** It is a hybrid development tool enriched with visual and audio applications where the participant comes together with the trainer virtually and physically.
- **Mentorship:** It is a development tool where the participant comes together with the mentor trainer in a minimum of 4, maximum 8 meetings and progresses with content and practices shaped according to the needs of the person.

In addition to these four learning methods on a functional basis, development programmes are also

offered specifically for ICT and R&D departments to develop agility, digital transformation and future digital competencies.

Individual Development: At the individual development stage, personalised behavioural and technical development solutions are offered by taking into account the employee's performance evaluation results, development areas determined according to the technical competency analysis, and next year's targets and results. During the development planning period at the beginning of the year, employees are guided by the smart development assistant (Zekky) and create their annual individual development plans. These development plans are shaped according to the trainings and assessment results appropriate to the employee's role and the employee follows this programme throughout the year. In addition, events such as summits, conferences or outsourced trainings can also be added to the development programmes once they are approved as compatible with company strategies.

Individual Development Programmes

- **Leadership and Behavioural Development:** Tofaş supports behavioural development in line with 8 principles. These principles include customer orientation, honesty, competitiveness, innovation and company ownership. Development tools include the Self-service learning path and the 6-month Experience Circle. Individual action plans for leadership development are supported by coaching and mentoring.
- **Focused Technical Development:** Programmes based on technical competency analyses monitor the individual and functional development of employees. Trainings provided by Tofaş Academy trainers cover various technical topics, including digital literacy. In 2023, 691 field employees received digital literacy training and 74 field employees received technical expertise training. 160 digitalisation suggestions were received from employees within the scope of digital literacy trainings, which received a satisfaction score of 4.98 out of 5.

Tofaş's Capitals - Human Capital

- **Agility and Digital Transformation Programme:** Programmes that develop agility and digital transformation competencies are offered in accordance with company strategies. In this context, trainings are provided for roles such as Agile Coach, Product Owner, Scrum Master.
- **Industrial Development Schools:** Specialised development programmes are offered for field employees in four areas: mould, maintenance, quality and production schools. These programmes focus on developing employees' operational and technical skills.
- **Supplier Development:** Developa is a digital development site established to fulfil the competence needs of suppliers and to apply modern learning technologies. In addition to around 1,000 contents and asynchronous trainings, there are also learning platforms such as Tideo and Wiki.
- **Dealer Development:** Fiat, Fiat Professional, Alfa Romeo, Jeep®, Maserati and Ferrari dealers offer programmes to support the development of employees in sales and after-sales roles. These programmes are monitored through KPIs such as training hours per person, digital learning share, attendance, satisfaction score, NPS and training success score.

New Manager Orientation Programme

New managers go through the New Manager Orientation Programme, which is designed according to the needs of the company. In the first phase of the programme, which consists of four stages, human resources practices that need to be known as a manager are learned. In the second stage, managers receive the information they will need in their first days and months with the First Times in Leadership Online Curriculum training. In the third stage, they learn about Multidimensional Leadership, and in the last stage, they complete a six-month development programme consisting of the modules I am the Leader of Myself and I am the Leader of My Team, reinforced with inventories and coaching in order to progress in leadership. 30 new managers completed the programme in 2023.

Personalised Leadership Development

After the orientation, the development of all managers is supported with personalised content. To this end, Leadership Climate is measured twice a year and in line with the results evaluated under 8 main headings, personalised development suggestions are presented to each manager via LinkedIn Learning. Managers also benefit from development tools such as coaching and team coaching.

Technical Development Solutions "As You Like It"

Different learning methods are offered in the technical trainings offered by Tofaş Academy with the motto "As You Like It", where participants have the opportunity to choose according to their personal development and learning goals. While the "Self-Service" method aims to enable participants to take responsibility for learning, "A-Synchronous" training provides participants with the opportunity to learn individually via video. "One-to-one" learning option is available for participants who want to specialise. In order to give participants more space and provide a personalised learning experience, the "As You Like It" flow is customised according to the trainees.

PERFORMANCE MANAGEMENT SYSTEM

The performance management system designed to support new ways of doing business and working at Tofaş also accelerates the agile working approach. It is aimed to create an environment of continuous dialogue between employees and managers. To this end, leaders meet with team members five times a year to manage targets and results. Employees can update their target structures throughout the year, thus a dynamic performance management system is offered.

Performance management starts with strategic planning where long-term goals are set. Targets and results are determined by the two-way preparations of managers and employees. At the end of the performance management process covering the whole year, the targets and business results achieved by employees are evaluated in detail and taken into consideration in bonuses and wage increases. In addition to the evaluation made at the end of the year, technical competencies are monitored during the period and the position of the employee's level of expertise in the role level map is checked. When deemed appropriate, the employee's rank is raised and the wage and premium bases are increased.

CAREER MANAGEMENT

Career management at Tofaş includes the “Steer Your Career” promotion process, rotation processes, career planning and development processes. There are defined stages, standards and criteria for each process and this information is shared transparently with employees.

The **Potential Career** process aims to identify future leaders and support their development. Candidates who are successful in the selection process participate in a two-year development programme based on Tofaş leadership competencies.

Technical Career represents the transition to engineering specialist and senior technical specialist roles for employees who prefer to deepen their horizontal career path and are motivated to add value to the company in their field of expertise.

The “**Compass Career Planning**” system allows employees to determine their short and medium-term career goals in detail with their managers. This process aims to enable employees to determine a clear direction in their careers, explore alternative career paths and benefit from development opportunities. The system is easy to use and serves its purpose, resulting in over 80% satisfaction. Launched in 2023, the artificial intelligence-supported “Dynamic Career Planning” module continues to support employees in their career journeys by providing unit and position-based smart suggestions thanks to the compliance rates calculated by artificial intelligence.

The “**Direct Your Career**” rotation and promotion programme is announced to Tofaş employees before the open positions within the company. The steps and standards to be applied in the programme, which prioritises internal promotion, are predetermined. The programme encourages employees to progress in line with their career goals and to experience different jobs and areas of responsibility. The “Steer Your Career” programme basically aims to ensure equal opportunity for all employees in managerial vacancies and to conduct selection processes in an objective, fair and transparent manner. All employees

can apply for managerial vacancies within the scope of the programme and the candidate who is most ready and suitable for the role is determined through a five-step evaluation process.

In 2023, a total of 41 employees across Tofaş were promoted from their current position to a higher level. The level-based breakdown of these promotions is as follows.

- Number of people promoted from specialist to supervisor: 33
- Number of people promoted from supervisor to manager: 5
- Number of people promoted from manager to director: 3

Company-wide promotion numbers and ratios for the last 5 years are given below.

	2019	2020	2021	2022	2023
Number of Employees Promoted	10	16	17	34	41
Promotion Rate	1%	1%	1.1%	2.4%	2.7%

Development of Young Talents

Tofaş believes that investing in the professional development of young talents is one of the cornerstones of sustainable growth and competitiveness. It enables young professionals to experience business life and the automotive industry by taking part in projects that are in line with their interests and talents.

Prova+: With its 11-month long-term internship programme Prova+, Tofaş enables young talents to experience business life and the automotive industry by taking active roles in various projects within the company in line with their interests and skills. In the last three years, an average of 31% of the students who were Prova+ interns started to work at Tofaş after their internship. In 2023, there were 40% female interns in the Prova+ internship programme and an average of 36% in the last three years.

Tofaş's Capitals - Human Capital

Prova Professional: In Prova Professional, a specialist and trainee recruitment programme, young talents are trained on basic technical competencies by Tofaş experts and Tofaş Academy internal trainers. Young talents who successfully complete their training are included in the Tofaş candidate pool after case presentations and technical interviews.

University Internship Collaborations: With the internship protocols signed with Istanbul Technical University in 2022 and Yıldız Technical University in 2023, students are supported in getting to know professional life and making their career planning.

TEV Scholarship: Each year, Tofaş, in cooperation with TEV, awards scholarships to two students who wish to pursue graduate studies abroad. At the end of the study period, scholarship recipients are evaluated for positions at Tofaş.

Click4Career: In 2023, Tofaş organised Click4Career, an online event for university students and young professionals who want to direct their careers in the automotive industry, with different sessions for three weeks. At this event, Tofaş met with 19,000 young talents; participants were evaluated for suitable positions for Prova+ internship and early talent programmes, and some of them started working at Tofaş.

Career MeetUP: Tofaş senior management organised Career MeetUP, an online event where they shared their experiences with young talents, in four different sessions in thematic areas. In this series, which reached 25,000 young people in 2023, each broadcast was watched instantly by an average of 6,000 people.

Hack-Auto Women: Tofaş aims to increase the proportion of female employees and managers in the fields of technology and innovation and considers strengthening the candidate pool among its priorities. The Hack-Auto Women case camp, which was launched to ensure that women are more involved in these fields, involved senior undergraduate, graduate, and doctoral students of universities and newly graduated female engineers.

OSD Automotive Summer Camp: Organised by Tofaş in cooperation with OSD and attended by speakers from large-scale automotive companies, the summer camp includes various activities such as inspiring speeches, case studies and interview simulations. Organised in 2023, this camp hosted more than 45,000 university students.

1Day/Tofaş: Within the scope of the 1Day/Tofaş programme, university students make a technical tour of the factory, have an interview techniques session with a human resources specialist and have the opportunity to chat with alumni working at Tofaş.

Campus Events: Tofaş came together with university students more than 50 times on campuses. In these events, which were held both online and physically, workshops were organised in addition to Tofaş sessions.

Vocational Education Cooperation: The protocol between Uludağ University Vocational High School Automotive Programme and Tofaş aims to establish university-industry cooperation. Within the scope of the programme, 40 students per year, approximately 20 students each semester, can do internship at Tofaş for a total of 24 weeks in the second year.

EMPLOYEE RIGHTS

Material and Social Rights

Every office employee who starts working in Koç Group companies becomes a member of the Koç Holding Pension and Relief Fund Foundation. The contributions collected from the members are invested in movable and immovable property investments and paid back in the form of lump sum payments or pensions upon retirement or termination of membership. Foundation members and pensioners, their spouses and children under the age of 24 also benefit from health insurance. In addition, foundation members also benefit from social benefits such as financial support for the acquisition of housing and meeting certain needs, risk coverage in cases of death, inability to work due to illness and partial disability.

All Tofaş employees are covered by complementary health insurance with 100% company contribution. Employees can also include their spouses and children in this insurance according to their preferences. As of the end of 2023, 5,900 employees and 7,952 spouses and children were included in the complementary health insurance.

In 2023, 347 more people started to benefit from the scholarship programme called “One More Support for Education from Tofaş”, which Tofaş launched in 2011 for the children of its employees, and the total number of people receiving support reached 3,417.

In order to increase women’s employment and contribute to women’s work-life balance, Tofaş provides unconditional nursery assistance to all female employees with children between 0 and 66 months. In 2022, the company switched to the Flexible Nursery Assistance model and made this assistance 100% beneficial for employees who send their children to nursery. Employees can receive cash nursery aid or enrol their children in nurseries approved by the Ministry of National Education. In 2023, 248 female employees benefited from the nursery assistance scheme, which was launched in 2016.

At Tofaş, flexible working is one of the practices that take into account the work-life balance of employees. In 2023, hybrid/remote working hours totalled 739 thousand hours.

As of 31 December 2023, Tofaş’s severance pay liability is TL 1,115,480,895.88 and a provision is provided for the entire amount. Social benefits are provided to employees regularly and periodically within the scope of legal legislation.

Trade Union Rights

The protection of employees’ trade union rights is one of the issues that Tofaş carefully monitors. Tofaş values the representation of Tofaş employees, who have collective bargaining and organisation rights, in a solid framework in their interactions with business management. Tofaş creates the necessary environment for its employees to freely exercise their collective bargaining and organising rights. The Company expects its suppliers and business partners

to adopt the same attitude towards the protection of trade union rights.

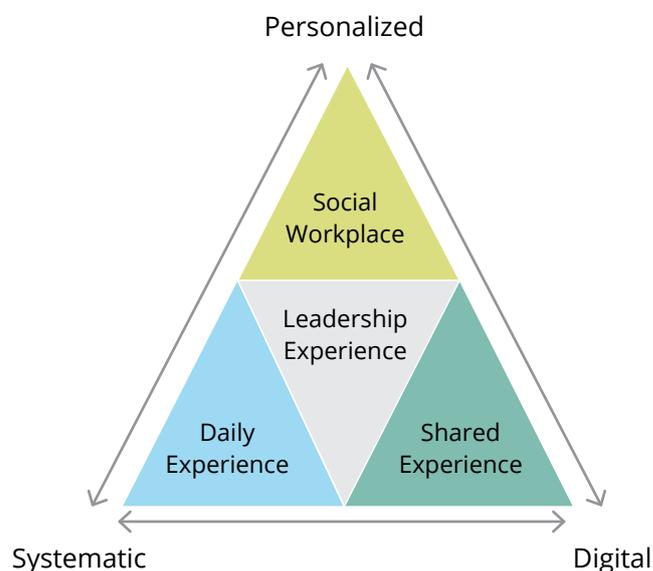
In line with supporting the participation of employees in trade unions and collective bargaining agreements, Tofaş’s participation rate in collective bargaining agreements reached 100% in 2023. The group collective bargaining agreement, which Tofaş is subject to and which will be valid between 1 September 2023 and 31 August 2025, was signed between the Turkish Metal Union and MESS on 17 January 2024 upon mutual agreement of the parties.

Tofaş notifies its employees and employee representatives a reasonable period of time in advance of significant operational changes and takes their views into consideration. The notification periods and consultation provisions specified in the relevant collective labour agreements are complied with.

Employee Experience

A positive employee experience creates high satisfaction and strong loyalty. These factors support each other and positively affect the overall performance and success of the company. Tofaş carries out various activities to strengthen the employee experience.

Employee Experience Approach



Tofaş's Capitals - Human Capital

“Sence” Instant Listening Platform: The “Sence” platform, where employees can instantly communicate their opinions and suggestions on processes, enables the evaluation of employee experience activities and enables improvements in human resources processes. This application, which is positioned at more than 20 listening points, investigates each experience anonymously through the Qualtrics platform, thus protecting the privacy of employees. There is a specially designed dashboard for each process, and a product owner and an employee experience specialist closely monitor each process.

Zekky HR Chatbot Application: Tofaş's Zekky HR Chatbot application facilitates employees' access to Human Resources processes. All employees can get instant information 24/7 on their mobile phones and learn about the processes they are curious about.

TofaşGO: TofaşGO, Tofaş's corporate internal communication platform, which was launched in 2017 and has received many national and international awards, is a corporate mobile and web portal that gathers all field and office employees at a single point, facilitates the lives of employees, and provides speed and continuity to internal communication. TofaşGO is updated every year in line with developing technologies and Tofaş employees' feedback.

Employee Engagement Surveys: Tofaş conducts an Employee Engagement Survey every year by AON Hewitt, an independent consulting firm. In the 2023 survey, a company-wide 58% engagement rate was achieved. The satisfaction level of office and field employees is monitored separately. In addition to the company-wide engagement score, employee satisfaction with 15 categories that affect engagement is also monitored. In line with the results obtained, additional research, analyses and action studies are carried out for these categories.

Social Activities

Tofaş attaches importance to its employees' socialising outside of work and their interest in hobbies and sports activities. Tofaş has 26 clubs and 16 sports teams formed voluntarily by employees. These clubs and teams increase the motivation of employees, help them maintain their work-life balance, and strengthen loyalty and solidarity among employees.

The social facilities at the Tofaş Plant include a restaurant, a café, and indoor and outdoor playgrounds where employees and their families can spend a pleasant time. In 2023, thematic events such as the “23 April Painting Contest” and “Summer Camp for Children” were organised at Tofaş Social Facilities, and the children of employees also benefited from these activities.

In 2023, “Tofaş Day” was organised at the Bursa plant with the participation of employees and their families. More than 14,000 guests attended this special day, where employees toured the factory with their families and enjoyed various activities organised for both adults and children, as well as a concert at the end of the day.

The fitness centre, basketball courts and table tennis area in the Mustafa V. Koç Sports Hall at the Tofaş Bursa Plant serve sports enthusiasts. In addition, outdoor sports facilities consisting of an astroturf field, tennis courts and a basketball court are also available for use by all employees. There is a fitness centre in the Istanbul Head Office building, which is open to the use of all employees.

OCCUPATIONAL HEALTH AND SAFETY

Tofaş aims to create a sustainable occupational safety culture by creating safe workplaces and to protect all human resources from injuries and health problems. The Tofaş Plant is regarded as an example among Stellantis plants in terms of OHS and is visited by many companies to examine innovative practices.

Occupational health and safety activities at Tofaş are carried out in accordance with Tofaş Occupational Health and Safety Policy, ISO 45001 Occupational Health and Safety Management System Standard, Koç Holding OHS Management Procedure and SPW (Stellantis Production Way) OHS Principles.

Tofaş has an occupational safety core unit reporting to the Occupational Health and Safety Management. The team of occupational safety experts remains in contact with the occupational safety officers of each unit. 5 full-time occupational safety officers work in the main production units. Within the scope of the organisation, there are 6 occupational physicians, and 8 health officers.

Occupational health and safety review meetings are organised every two months in accordance with legal requirements. In these meetings, which are also attended by union representatives, evaluations are made on the development and implementation of the occupational health and safety management system.

The most prominent topics in occupational health and safety management at Tofaş are management of opportunities and risks that will affect the management system, management of occupational health and safety risks of contractors, management of expectations, participation and consultation of employees and related parties, and management of changes caused by OHS risks of contractors.

Tofaş adopts a sustainable, lean and proactive approach to occupational safety management and applies a seven-step methodology. This methodology starts with the analysis of accidents and includes identification of root causes and countermeasures, risk analysis and management, occupational safety audits and safety patrols, personal responsibility of employees, raising awareness through teamwork, and health advice and campaigns. In this process, it is aimed to create an autonomous occupational safety culture with the full support of management and the participation of employees.

Tofaş aims to maximise the OHS culture not only of its employees but also of its suppliers, interns, visitors and contractors. In this context, it is committed to:

- Meeting all legal and other obligations regarding OHS,
- Adopting the principle that continuous improvement activities are the common responsibility of all employees,
- Obtaining the opinions of all human resources regarding OHS practices and ensuring their participation,
- Reducing OHS risks by eliminating hazards,
- Continuously improving its OHS targets and performance.

OHS committees are critical to protect the safety and health of employees. These committees enable the improvement of risk management, legal compliance, and OHS performance. As of 2023, Tofaş has 99 members, 12 of which are employee representatives, in 9 OHS Committees.

Tofaş's Capitals - Human Capital

Occupational Health and Safety Culture

Employees can always report hazards and dangerous situations directly or through existing systems. At Tofaş, employees at all levels, starting with management, are made aware of the importance of OHS notifications. The labour law and Tofaş OHS policy guarantee that employees will never face any negative attitude towards their notifications. This situation is conveyed to employees through trainings and incentive systems are implemented for hazard notifications.

OHS surveys are organised at regular intervals to improve the occupational health and safety system. Employees can submit their suggestions on systems or practices through the relevant systems. Occupational health and safety information is made available to employees through channels such as boards in the field, closed circuit broadcasts in common areas, banners and posters. In addition, interactive information can be provided through the internal communication portal.

Tofaş aims to promote an occupational health and safety culture that benefits both employees and the company at all levels by providing regular and comprehensive OHS training to its employees. OHS trainings are provided to all employees for a total of 12 hours every two years. In addition to these trainings, trainings are organised for employees on the risks identified in risk analyses. In the event of new hires or job changes, the relevant persons receive occupational health and safety training. In the DOJO training area, which is equipped with specialised equipment, the risks of each production unit are periodically explained to field employees in practice. In 2023, 4,927 field employees received 66,040 hours of OHS training and 4,135 contractor employees received 3,101 hours of OHS training, totalling 69,131 hours.

Risk Orientated OHS Approach

Tofaş applies risk analyses to identify and eliminate hazards in operations. The OHS field team conducts routine inspections and reports nonconformities, and employees identify and report hazards through practices such as SMAT, Safety Patrol, OHS Kaizen, and Safety Captain. Trainings and reviews are conducted for the sustainability of these practices, and data is managed in a central OHS system.

Tofaş conducts risk analyses for all activities, prioritises risks and monitors actions. Hazards are identified through risk analyses, field audits and autonomous audits. After incidents, a detailed root cause investigation is conducted in the PDCA (Plan-Do-Check-Act) cycle, and the investigation team identifies root causes and plans and monitors actions to prevent recurrence. All processes are reviewed weekly, monthly and annually and improvement feedbacks are received.

Tofaş conducts audits including contractors and evaluates all works and areas in the risk analysis process. Actions for emergency measures and permanent solutions are defined and monitored. Necessary trainings are provided for the teams and feedback is collected for the improvement of the system through annual evaluations.

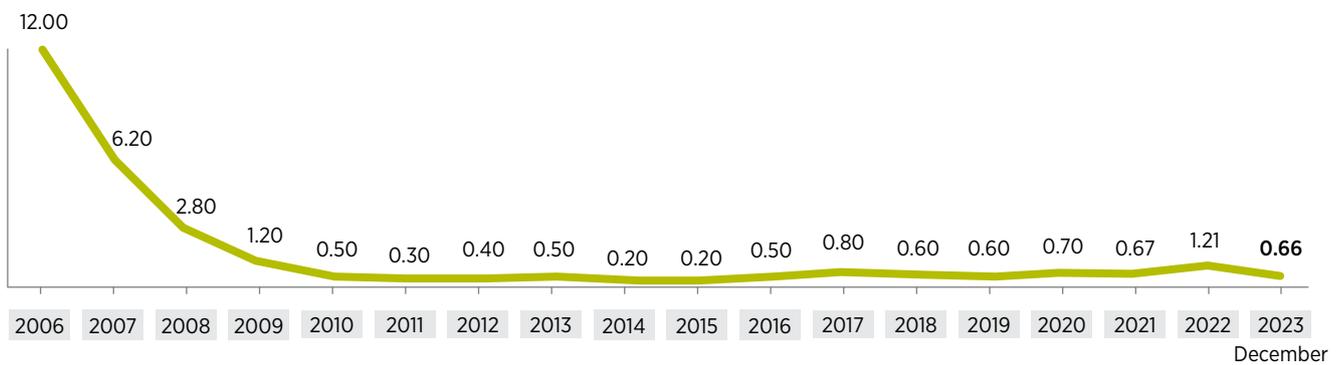
Employee Health

In addition to creating safe working environments, Tofaş also pays great attention to protecting employee health. Tofaş has a 5-bed capacity observation and emergency response area, a comprehensive analysis laboratory, and a health centre with respiratory, ophthalmological and audiometric control equipment. In this centre, 6 doctors and 8 health officers provide free health services to employees.

Zero Work Accidents and Zero Occupational Diseases

Tofaş aims to achieve zero occupational accidents and zero occupational diseases within the framework of its OHS Management System. Starting in 2006, the continuous improvement journey in occupational safety has reduced the Lost Time Accident (LTA) frequency by 95%. In 2023, there were no fatal incidents resulting from work-related accidents or occupational diseases.

LOST DAY ACCIDENT RATE



* 1 day lost time (accident number x 1,000,000 / working hours)

MESS Work Safety Stars Award

In the "Stars of Occupational Safety" competition organised by MESS, Tofaş received awards in the Digital OHS category for its "Digital Maintenance Assistant" project and in the OHS Ambassadors category for its "Safe Cutter Maintenance" project. The "Digital Maintenance Assistant" project uses a device that provides remote video and visual support to increase safety in non-routine maintenance work. In addition, this device is used for training new employees by recording the work of experienced employees with video and narration. The "Safe Cutter Maintenance" project, on the other hand, includes an artificial intelligence-based application that de-energises the air gun when no goggles are worn during the maintenance of inserts, thus providing a fully safe working environment.

AFAD Accreditation for Tofaş Search and Rescue Team

Established in 2016, Tofaş Search and Rescue Team has received great appreciation by successfully taking part in many natural disasters, including the recent Kahramanmaraş earthquake. The team, which has been working in coordination with AFAD until today, sets an example for other companies with its trained and experienced staff consisting of Tofaş employees and its highly equipped search and rescue vehicle.

Tofaş Search and Rescue Team, which continuously improves itself in the field of disaster and emergency management by expanding its staff, successfully completed the accreditation exam conducted by AFAD, which standardises the teams that will take part in emergency services, and was entitled to receive the "National Search and Rescue Accreditation Certificate". Thus, Tofaş Search and Rescue Team became the first team among Koç Group and Automotive Industry Association member companies to receive this accreditation. TAKUT team was audited on various criteria such as reaching coordinates in disaster areas, establishing a base, deployment methods, compliance with equipment standards, first aid, radio communication, entering and removing debris.

Tofaş's Capitals - Social and Relational Capital

SOCIAL AND RELATIONAL CAPITAL

Tofaş believes that a strong business success is not independent from the development and growth of the society in which it lives. Tofaş approaches social growth from a multifaceted perspective, and in addition to its economic contributions to the national

economy, it supports social welfare through social responsibility projects in various fields. Tofaş takes into account the Sustainable Development Goals and social needs while realising its socially beneficial activities. The projects carried out are monitored with medium and long-term targets, while the benefits derived from the projects are tracked through various performance indicators.

2023 AT A GLANCE

- Tofaş realised a total of TL 49 million in donations and grants in 2023.
- With the responsibility projects carried out within Tofaş Sports Club, a total of 30,500 people were reached until 2023.
- Until 2023, more than 5,200 athletes, including 770 national athletes, and more than 420 coaches worked in the Tofaş Sports Club infrastructure.
- As of 2023, a total of 3,500 children are receiving basketball training at 15 Tofaş Basketball Schools in 10 cities.
- The New Generation Tofaş Project reached a total of 10,500 children and 5,000 mothers and fathers by 2023.
- Within the scope of the Neighbourhood Fields Project, 46 basketball courts were built in different districts of Bursa in 2018-2023.
- Approximately 2,000 young people participated in the Hack-Auto Women Camp organised by Tofaş in 2023.
- The number of visitors to the Tofaş Bursa Museum of Anatolian Cars exceeded 1.2 million in 20 years.

SOCIAL INVESTMENTS

In line with its corporate citizenship approach, Tofaş allocates significant resources to social projects. In this context, the company spent TL 49 million on donations and sponsorships in 2023. In its projects, Tofaş focuses on the welfare of future generations, inclusiveness and diversity, and the protection of cultural heritage, supports sustainable development with the social investments it realises.

Carrying out social projects in cooperation brings significant gains. Tofaş establishes strong collaborations with non-governmental organisations, international organisations, universities, local governments or individuals in order to increase the impact of its projects.

Employee volunteering activities play an important role at Tofaş, which instils in its employees the awareness of being responsible citizens. Employees take an active role in social responsibility activities and create projects that will provide social benefits through internal entrepreneurship programmes.

INVESTMENT FOR FUTURE GENERATIONS

Tofaş Sports Club

Founded in 1974, Tofaş Sports Club raises new sports people for Bursa and the country's basketball with its infrastructure-oriented systematic efforts; by providing equal opportunities for young people, it supports the formation of healthy generations and the improvement of the quality of life of the society. Tofaş Sports Club, which has been raising

sports people for the national basketball since its establishment in 1974, provides equal opportunities for young people and works for the formation of healthy generations.

Tofaş Sports Club continues to take important steps towards transforming Bursa into a basketball city with the players and coaches it has trained and the national and international successes it has achieved. Since its foundation, Tofaş Sports Club has trained more than 5,200 athletes, 770 of whom are national players, and more than 420 coaches. One of the Club's main priorities is social responsibility projects. With the responsibility projects carried out within the club, 30,500 people have been reached by 2023 and this number is aimed to reach 45,000 by 2030.

Tofaş Basketball Team plays its home games at Nilüfer Tofaş Sports Hall, which also contributes to the social life of the people of Bursa. Mustafa V. Koç Sports Hall, which Tofaş Sports Club opened in 2016, serves Tofaş personnel as well as amateur sports clubs and athletes in Bursa. The 5,800 m² facility includes a gymnasium with three basketball courts, a fitness centre and a full-fledged athlete rehabilitation centre to meet all kinds of physical therapy needs.

Basketball A Team

Tofaş Sports Club men's basketball team has won 2 Basketball Super League, 3 Turkish Cups and 1 Presidential Cup since its establishment. Approximately 800 players took part in the Tofaş Men's Basketball A Team until 2023. The team continues to compete in the Basketball Super League and Basketball Champions League in the 2023-2024 season.

Equal Opportunity in Sports and Dissemination of Sports Culture

Tofaş Sports Club aims to create equal opportunities in sports and support sports culture for all young people across the country, especially in Bursa, where it is located, by adopting the "Bursa, the City of Basketball" discourse. As of 2023, 3,500 children are receiving basketball training at a total of 15 Tofaş Basketball Schools operating in 10 cities.

Tofaş Basketball School in Hope Cities

In the Tofaş Basketball Schools in the Hope Cities established by Koç Holding Group Companies in coordination with AFAD in the earthquake zone, basketball training is provided to children affected by the earthquake. As of the end of 2023, 150 children benefited from the trainings given by local coaches in Hatay, Adıyaman and Malatya under the coordination of Tofaş Sports Club and in cooperation with the Turkish Basketball Coaches Association (TÜBAD).

Neighbourhood Fields Project

In 2019, Tofaş Sports Club started to build basketball courts in different districts of Bursa as part of the Neighbourhood Fields Project. As of 2023, 46 basketball courts were built in Bursa and periodical maintenance of the courts was carried out.

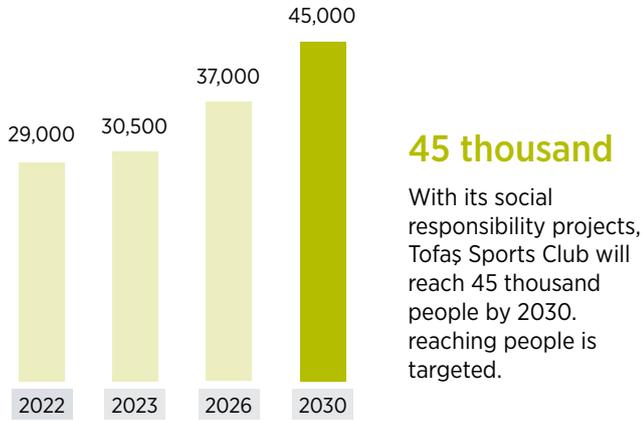
New Generation Tofaş Project

The "New Generation Tofaş Project" was launched in 2016 with the aim of creating equal opportunities for children to access sports and to provide children with a culture and perspective that will help them succeed in all areas of life beyond sports training. The New Generation Tofaş Project, which aims to enable all children to play basketball with equal opportunities, is a training and practice model created in the triangle of coach, family and child. Tiny and junior teams, consisting of children selected for the infrastructure, continue their training at the Mustafa V. Koç Sports Hall. The junior teams of Tofaş Sports Club's infrastructure are largely made up of athletes who have been raised through the New Generation Tofaş Project.

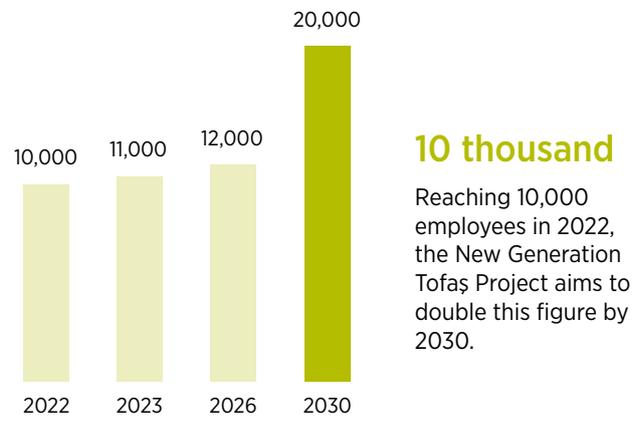
Other areas of activity of the project include the e-learning system created to train coaches and families in the regions, street tournaments organised to spread basketball culture to the general public, science and creative drama workshops. In the e-learning system, a total of 250,000 training videos were watched until 2023. With the New Generation Tofaş Project, a total of 10,500 children and 5,000 mothers and fathers were reached through 15 basketball schools established in different districts of Bursa until 2023. By 2030, the target is to reach a total of 20,000 children and parents.

Tofaş's Capitals - Social and Relational Capital

NUMBER OF PEOPLE REACHED BY TOFAŞ SPORTS CLUB SOCIAL RESPONSIBILITY PROJECTS



TOTAL NUMBER OF CHILDREN-PARENTS REACHED WITH THE NEW GENERATION TOFAŞ PROJECT (number)



Tofaş Sports and Development Summer School

Tofaş Sports and Development Summer School is organised every year at Tofaş Academy to provide sports and development support to the children of our employees. In our summer school, children participate in various activities such as robotic coding, folk dances, rhythm and painting workshops, basketball, vocational introductions and cinema, and experience learning by having fun and practicing.

Tofaş Science High School

Demirtaş Organised Industrial Zone (DOSAB) and Tofaş provide support for the development of teachers, students and the physical needs of the Tofaş Science High School, located in Nilüfer district of Bursa, and scholarship support for students who graduate successfully.

The "Innovation Workshop", which was opened at Tofaş Science High School with the support of Tofaş, aims to support the training of well-equipped young people who will shape the automotive and engineering fields and shape the future. It has been decided to expand the Innovation Workshop, which was identified as an inspiring project by the Ministry of National Education, to all science high schools.

With the support to be provided until 2030, Tofaş Innovation Workshop aims to be one of the top 3 STEM (Science, Technology, Engineering, Mathematics) workshops in Europe.

Tofaş Science High School aims to encourage female students to take up engineering as a profession through awareness-raising activities on gender equality and future professions. In this way, it is aimed to expand the potential employment source.

INCLUSIVENESS AND DIVERSITY

Gender Equality

Tofaş reinforces the importance it attaches to gender equality through the projects and activities it carries out in this field.

In line with the Gender Equality Forum's global acceleration plan for technology and innovation for gender equality, Tofaş aims to increase the number of girls studying science, technology, engineering, and mathematics (STEM) and to develop projects that can be disseminated throughout Türkiye or to support existing projects. In this context, Tofaş aims to reach 30,000 girls by 2026 with the projects it will realise.

Awareness Raising Trainings

In 2023, Tofaş, in cooperation with the Family Health and Planning Foundation of Türkiye, organised “Choosing a Profession Free from Gender Bias” trainings for its employees. In this way, employees were supported to gain awareness about gender prejudices.

Hack-Auto Women Camp

To experience Tofaş and discover their own potential, Tofaş has organised an online Hack-Auto Women’s Camp, which is open to final year engineering, master’s and doctoral female students and recent graduates. At the end of the camp, which was attended by approximately 2,000 young people, successful participants will be evaluated in the recruitment and internship processes at Tofaş.

PROTECTING OUR CULTURAL HERITAGE

Tofaş Bursa Anatolian Cars Museum and Tofaş Art Gallery

Tofaş Bursa Anatolian Cars Museum, which was converted into a museum by Tofaş after the restoration of the old silk factory located in Umurbey neighbourhood of Bursa, is Türkiye’s first and only Anatolian cars museum established to protect the automotive heritage of Anatolia. The museum takes its visitors on a historical journey starting from a wheel dating back 2,600 years to the motor vehicles produced by Tofaş. The Tofaş Museum of Anatolian Cars, which opened its doors to visitors in 2002, has been visited by 1 million 200 thousand people to date.

Umurbey Bath, which is located within the boundaries of Tofaş Bursa Anatolian Cars Museum and serves as an art gallery, has hosted 6 temporary exhibitions. The last exhibition, which carries the traces of art, society and trade life from the past to the present, was “The Top of the Scales; Scales, Weights, Measuring Instruments”. The museum’s café “Fayton Café” serves the people of Bursa and museum visitors. The museum and its garden with 50 different plant species host concerts, art and cultural events throughout the year.

In 2023, Tofaş Bursa Museum of Anatolian Cars hosted the “Photography Exhibition of Republic Celebrations in Bursa” dedicated to the 100th anniversary of the Republic of Türkiye. The exhibition, which opens a window into the history of the Republic celebrations in Bursa with photographs and newspaper clippings of the celebrations between 1930 and 1970, was exhibited in the Catapult House section of Tofaş Bursa Anatolian Cars Museum.

Pamukkale Hierapolis Excavations Sponsorship

Since 2005, Tofaş has been supporting excavations at the ancient city of Hierapolis in Pamukkale, one of the five largest ancient city ruins in Türkiye, which was inscribed on the UNESCO World Heritage List in 1988. Under the auspices of the Ministry of Culture and Tourism and the Denizli Governorship, an international team of approximately 70 archaeologists, architects, restorers and specialists from Italy and Türkiye are taking part in the excavations. Among the most important works unearthed so far in Hierapolis are the Ancient Theatre, Necropolis, Hot Springs, Great Church, San Filippo Matrium, Frontinus Gate, Gymnasium, Temple of Apollo and Pluto’s Gate (Plutonium).

Tofaş started to lead the unfinished archaeological work at the Arslantepe Mound in order to preserve the historical and cultural heritage of the city of Malatya, which was affected by the earthquake in 2023.

Tofaş's Capitals - Natural Capital

NATURAL CAPITAL

Tofaş has set full compliance with the economy of the future as one of its strategic goals and is taking the necessary steps to ensure a gradual transition to a zero carbon market. Tofaş considers the protection of natural resources and the realisation of its activities with minimum environmental impact as one of its fundamental responsibilities. To this

end, Tofaş aims to control and minimise not only its direct environmental impacts but also the indirect environmental impacts of its entire value chain. In cooperation with its suppliers and business partners, Tofaş aims to minimise the environmental impact of all its operational processes and continuously makes improvements in areas such as energy efficiency, water management, waste reduction and recycling.

2023 AT A GLANCE

- Tofaş continued to be one of the 25 Turkish companies to be included in the BIST Sustainability Index in 2023.
- In 2023, the independent audits performed resulted in "Zero Non-Conformity".
- Tofaş joined the Science Based Target initiative (SBTi) with the application signed in January 2023.
- In 2023, Tofaş realised a total environmental investment and operation expenditure of TL 1.996 million.
- In 2023, Tofaş saved a total of 59,698 mWh of energy and reduced CO₂ by 17.830 tonnes thanks to 259 energy efficiency projects.
- Energy consumption per vehicle decreased from 3.19 GJ to 2.78 GJ; emission level per vehicle decreased from 0.322 tons CO₂eq to 0.310 tons CO₂eq. CO₂e level.
- In 2023, Tofaş reduced its water consumption per vehicle by 4.7% compared to the previous year to 2.61 m³.
- Thanks to the in-plant circulation system, Tofaş ensured the reuse of approximately 60 million m³ of water in 2023.
- Tofaş's waste generation per vehicle in 2023 was 25.53 kg.
- A total of 1,721 hours of training was provided to 3,048 employees to raise environmental awareness.

SUSTAINABLE ENVIRONMENTAL MANAGEMENT

Tofaş aims to leave a clean and livable world to future generations with environmental protection sensitivity, which is one of the main pillars of sustainability. It fully complies with national and international legal requirements in all its activities and endeavours to reduce the environmental impact of its production, products and services through the use of continuous improvement tools and appropriate technologies.

In terms of environmental management, Tofaş is committed to preventing pollution at source and reducing environmental risks, reducing the environmental impact of its products with a life cycle approach, using energy and natural resources responsibly and efficiently, and mobilising its resources and capabilities by effectively

implementing integrated management systems to raise environmental and energy awareness of all stakeholders in its sphere of influence.

Environmental issues are managed by the Sustainability Committee and Sustainability Working Group in line with Tofaş Environment and Energy Policy, and environmental performance reports are submitted to the Board of Directors. Tofaş adopts a preventive and proactive approach to environmental risk management by operating within the framework of Stellantis Production Way (SPW) and ISO 14001 Standard. By developing its production system with a continuous improvement approach, Tofaş takes measures beyond the requirements of environmental legislation, minimises risks, and reduces and eliminates pollution. Tofaş keeps under control

the environmental risks that may arise from its operations and the possible damages that it may face as a result of the unfavourability of environmental resources (including climate risks) and acts by minimising the financial impact of these damages.

Informing all its stakeholders about its environmental and sustainability targets, Tofaş transparently publishes the results of its activities in these areas on its corporate website and in its sustainability reports. In 2023, Tofaş, with its sustainable production approach, was entitled to be included in the BIST 25 Sustainability Index, which consists of companies with high sustainability performance in the comprehensive evaluation conducted by the international evaluation organisation Refinitiv within Borsa Istanbul. Tofaş also submitted its responses to CDP on climate change and water issues.

According to the 2023 assessment results, the Climate Change score was announced as B Management level and the Water Security score was announced as A- Leadership level.

Tofaş collaborates with non-governmental organisations, associations and public institutions in the process of developing environmental policies. The company aims to contribute to the value chain through partnerships with universities, associations and chambers, as well as through its OSD membership, TÜSiAD and YASED working group memberships.

Zero Non-Compliance

Tofaş has been using ISO 14064-1 Greenhouse Gas Management System and verification of annual greenhouse gas reports since 2010 and ISO 50001 Energy Management System since 2013. In 2023, independent audits of these management systems resulted in "Zero Non-Conformity".

Environmental Awareness Activities

Tofaş attaches great importance to the importance given to environmental issues and the development of environmental awareness, especially among employees, in improving its environmental management performance and carrying it into the future. Tofaş has also made environmental management a part of its annual target dissemination and performance evaluation system.

Environmental and energy mentors are employees who are responsible for the implementation of environmental policies and procedures at Tofaş and their adoption within the units. Environmental and energy mentors are employees who are responsible for the implementation of environmental policies and procedures at Tofaş and their adoption within the departments. All environmental and energy mentors attend monthly Environmental and Energy Board meetings to ensure the dissemination of policies within the department and organise related training activities.

In 2023,

- A total of 1,721 hours of training was provided to 3,048 employees under the Tofaş Academy to raise environmental awareness.
- Visual training areas, energy project competitions, environmental unit competitions and various visual communication tools were used in the factory.
- 5 June World Environment Day was traditionally celebrated with the families and children of Tofaş employees. In the event, bird nests and cat houses were made with children using waste wooden pallets, and these were placed in suitable places in the factory garden.
- Tofaş has fulfilled its commitment to eliminate single-use plastics and has eliminated single-use plastic products from individual use throughout the factory.

Environmental Objectives	Performance Indicator	2023	2023 (H)	2026 (H)
GHG emissions	tCO ₂ (eq)	74,292	80,000	63,696
VOC air emission	gr/m ²	27.83	33.12	22.9
Fresh water consumption	m ³ /vehicle	2.61	3.08	2.5
Total Waste Generation	kg/vehicle	25.53	28.17	25.14
Ratio of Waste Disposed by Burial	%	0	0	0

Tofaş's Capitals - Natural Capital

CLIMATE CHANGE

Climate change is one of the greatest environmental, economic and social threats facing the world. The effects of global warming have serious negative consequences on agriculture, water resources, human health and biodiversity. The automotive sector accounts for approximately 17.9 per cent of global carbon emissions. In addition, cars and light commercial vehicles account for 48% of global transport-related carbon emissions. Therefore, the automotive sector bears a great responsibility for reducing emissions and adopting more sustainable production processes. Tofaş considers combating climate change as a strategic priority and aims to reduce carbon emissions and minimise its environmental impact by using sustainable energy sources. To this end, it commits to contribute to global climate goals by participating in international initiatives and supports the transition to a low-carbon economy through energy efficiency projects.

Tofaş addresses climate change with a holistic approach including legal, physical, operational and financial dimensions. While the legal dimension includes legal regulations such as emission limitations, the physical and operational dimension covers issues such as sudden changes in weather conditions. The financial dimension covers financial impacts including carbon trading. Within the framework of corporate risk management, rapid actions are developed against any threats that may occur in these dimensions and sustainable solutions are offered with environmentally friendly techniques.

When Tofaş evaluates its activities from a lifelong perspective and considers the needs and expectations of its stakeholders, it has determined that a significant part of its impact on climate change stems from the use of its vehicles as well as its production activities. Accordingly, it aims to ensure that its stakeholders' travelling experiences, transport and distribution operations are carried out with more sustainable methods and works to develop vehicles with lower emission values or using alternative fuels.

Transition to Low Carbon Economy

The transition to a low carbon economy plays a vital role in the fight against climate change. It is possible to achieve a more sustainable future by increasing energy efficiency, supporting the transition to renewable energy and thus reducing carbon emissions. As part of the transition to a low-carbon economy, Tofaş supports efforts to increase the efficiency of conventional engine vehicles, to expand the use of alternative fuel systems, and to develop electric and hybrid vehicles, all of which are implemented by Stellantis in line with its product strategies.

Given the fact that global problems can only be solved through global co-operation, international commitments make companies a part of these joint efforts. Tofaş strengthens its efforts to transition to a low carbon economy through international commitments and initiatives and becomes an active player in this common endeavour.

Tofaş closely follows the European Union Green Deal in order to integrate it into its strategy to combat climate change. The agreement sets Europe's goal of becoming a climate-neutral continent by 2050. This goal includes important measures such as increasing energy efficiency, using sustainable energy sources, and thus reducing emissions.

Tofaş continues its efforts to become a carbon neutral facility. Every year, emission reduction projects and reduction amounts resulting from production are verified and certified by third-party organisations. Supporting the transition to a low-carbon economy through energy efficiency efforts, Tofaş is also a corporate member of the Climate Platform.

Tofaş signed the 2°C Challenge Communiqué, an international business statement calling for global policies and actions to combat climate change. Tofaş also joined the Science Based Targets Initiative (SBTi) with an application signed in January 2023.

Internal Carbon Pricing

Internal Carbon Pricing is the practice of incorporating the financial impacts of greenhouse gas emissions into a company's internal accounts by assigning a cost to its carbon emissions. This practice is a strategic tool that helps companies run more sustainable and low-carbon operations. At Tofaş, internal carbon pricing is applied to raise awareness about the internal costs of emissions and to see the impact of energy efficiency projects on the transition to a low carbon economy. Tofaş applies a carbon price of 50 euros per tonne in order to visualise and interpret the financial impact of emissions when making investment decisions on energy efficiency projects.

At the time this report was prepared, Tofaş operations and other activities were not included in any carbon pricing system, no carbon credits were purchased, and no carbon pricing mechanism is applied within the shareholding structure.

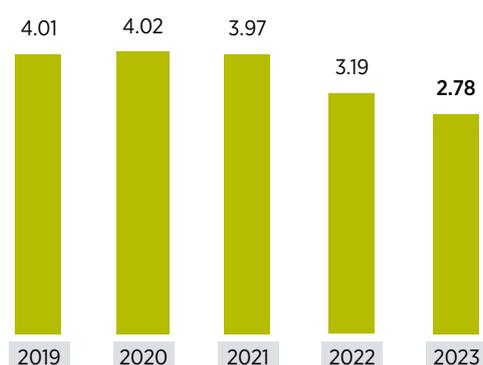
Energy and Emission Management

Tofaş continuously monitors and improves its energy consumption and emission reduction performance in line with its short, medium and long-term targets. Energy and emission management at Tofaş is carried out by the Energy Guidelines Board Working Group and Tofaş Sustainability Committee, and the CEO is regularly informed about these activities. In this way, emission values are kept below the upper limits set by government agencies.

As a result of efforts to reduce energy consumption, Tofaş improved its total energy consumption by 21% in 2023 compared to the previous year. During the period, total energy consumption was realised as 666,508 GJ. Energy consumption per vehicle was reduced from 3.19 GJ to 2.78 GJ.

Energy Consumption	2019	2020	2021	2022	2023
Total Energy Consumption (GJ)	1,042,245	993,438	906,678	841,801	666,508
Direct Energy Consumption-natural gas (GJ)	593,241	578,984	519,016	463,607	355,202
Indirect Energy Consumption (GJ)	449,004	414,454	387,662	378,194	311,306

ENERGY CONSUMPTION (GJ/VEHICLE)

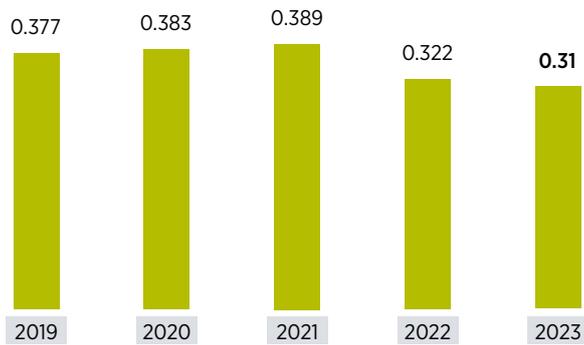


In 2023, the amount of Scope 1 and 2 emissions released as a result of Tofaş activities was realised as 74,292 tonnes CO₂e in total with an improvement of 13% compared to 2022. Emission intensity decreased from 0.322 tonnes CO₂ e/vehicle to 0.310 tonnes CO₂ e/vehicle.

Tofaş's Capitals - Natural Capital

GHG Emissions	2019	2020	2021	2022	2023
Direct GHG Emissions (Tonnes CO ₂ e)	46,266	45,653	42,790	38,313	35,794
Indirect GHG Emissions (Tonnes CO ₂ e)	53,247	50,303	46,180	46,558	38,498

GREENHOUSE GAS EMISSION INTENSITY* (TONNES CO₂/VEHICLE)



* Emissions have been calculated in accordance with the methods described in the following guidelines: Intergovernmental Panel on Climate Change-IPCC National Greenhouse Gas Inventory Guidelines, 2006 Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (Revised Edition)

Smart Energy Management System

Tofaş's Smart Energy Management System optimises energy consumption by increasing energy efficiency. Thanks to the internally developed algorithms developed at Tofaş's paint production facilities, the system autonomously lowers set values and puts energy-consuming equipment on standby during planned and unplanned shutdowns that occur during production. The system detects the end of production with the data it receives from the field and autonomously switches off the production lines in order to ensure minimum energy consumption.

Energy Efficiency

Tofaş successfully continues its trend of reducing its energy intensity through energy efficiency projects. In 2023, Tofaş continued to carry out activities aimed at reducing energy consumption and CO₂ emissions, as defined by the SPW (Stellantis Production Way) methodology. In this context, 259 energy efficiency projects completed in 2023 resulted in a total of 59,698 MWh of energy savings and a corresponding reduction of 17,830 tons of CO₂.

Tofaş also carries out studies to ensure energy efficiency in logistics processes. In this context, importance is attached to areas such as energy use, greenhouse gas emissions, and the use of protective packaging. The use of protective packaging reduces the need for re-shipment by preventing damage to products and thus contributes to the reduction of energy consumption in logistics processes. In the selection of service providers, criteria such as energy efficiency management system and carbon emissions verification certificate are sought. Alternative delivery methods such as sea or rail are designed, low emission vehicles that meet current environmental criteria are used, and procedures are implemented to shorten the distance travelled on each journey.

Air Emissions

Air pollution is subject to legal regulations in our country in line with EU and other non-national norms due to its effects on the ecosystem. Tofaş fully complies with the legal regulations in force for the prevention of industrial air pollution.

Tofaş has achieved a 15% improvement in VOC (Volatile Organic Compounds) emissions in the last five years by improving operational controls. The use of solvent-free cleaning products, switching to onebell paint technology, water-based electrostatic paint applications, reducing the consumption of cleaning chemicals and the nitrotherm project have achieved values well below EU limits in VOC emissions.

Sulphur Dioxide (SO₂), Nitrogen Oxides (NOx) are emitted in Tofaş facilities during the processes of using fossil fuels for industrial heating and building heating in furnaces and boilers. Particulate Matter* (PM) emissions, referred to as ambient dust, are also emitted during industrial activities at Tofaş. In 2023, SO₂ emissions totalled 0.164 tonnes, NOx emissions totalled 91.8 tonnes and PM emissions totalled 22.6 tonnes. The Company is continuously working on improving air emissions through energy saving efforts at all sites and chimney filtration to prevent air pollution.

Ozone depleting gases Ozone Depleting Substances** (ODS) are emitted from air conditioning equipment at the Tofaş plant. As of 2023, there are 21 kg of ODS emissions, which has been reduced by half compared to 2021. In order to reduce the amount of ODS, the refrigerant gases used are converted to different gas types.

*Particulate Matter (PM) is solid or liquid particles measured in micrometres (1000 times smaller than a millimetre) and suspended in air.

** Ozone Depleting Substances (ODS) are a group of chemicals that have the ability to react with ozone and adversely affect the ozone layer of the stratosphere.

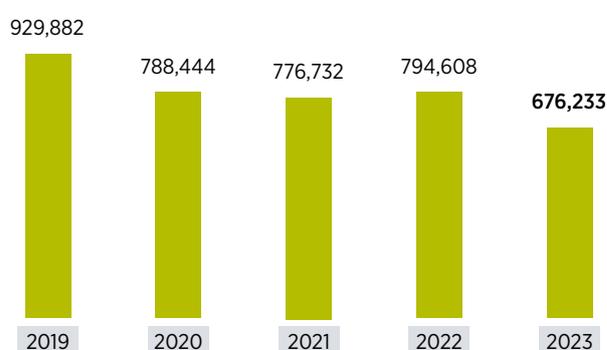
WATER MANAGEMENT

Tofaş's water management approach is shaped by the principle of efficient water use. Tofaş focuses on continuously improving the amount of water used by managing its water and wastewater systems in the most efficient manner. It aims to guarantee the continuity and sustainability of the water resources it uses through regular analyses.

All water-related strategies are determined and monitored by the Tofaş Sustainability Committee under the leadership of the CEO. The Sustainability Working Group, which is responsible for strategic decision-making processes related to sustainability management, reports directly to the Sustainability Committee. The Environment and Sustainability Manager, who is a member of the Committee and the leader of the Working Group, manages all water-related issues, including risks and opportunities at the operational level, and ensures that water consumption and wastewater treatment are closely monitored and managed in the best way possible.

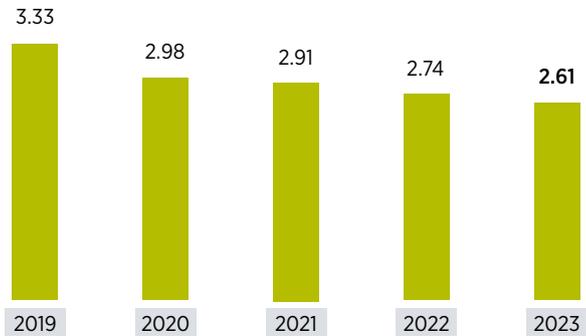
In 2022, water consumption per vehicle was 2.74 m³ and in 2023 it was 2.61 m³. It is aimed to reduce water consumption to 2.5 m³ by 2026 with the help of recycling projects.

FRESH WATER CONSUMPTION (M³)



Tofaş's Capitals - Natural Capital

WATER DENSITY (M³/VEHICLE)



Tofaş cares about its mission to protect natural life and support biodiversity. It develops various strategies and projects to minimise the environmental impact of its operations and protect biodiversity. Due to its potential negative impact on biodiversity, wastewater management is a critical part of Tofaş's water management approach. Wastewater generated as a result of the activities carried out is recovered at an optimum level in modern treatment plants. Wastewater is discharged to receiving environments with loads below the limit values specified in discharge permits. In 2023, 386 thousand m³ of wastewater from the facilities was discharged to the receiving environment after undergoing optimum treatment processes.

Thanks to the in-plant circulation system, Tofaş ensured the reuse of approximately 60 million m³ of water in 2023. In 2022, rainwater harvesting was initiated and the collected rainwater is utilised for general use.

Water Pollution and Wastewater Management

Automotive manufacturing consists of water intensive processes due to their conventional structure. In this case, wastewater formation is inevitable due to surface treatment (metal processing, painting, coating etc.) processes and exposure of metal etc. materials to water. After all these processes, chemical oxygen demand (COD), biological oxygen demand (BOD) and suspended matter (TSS) concentrations that can be called characteristic for the automotive sector are formed. With its wastewater treatment plant, Tofaş maintains treated water quality below the discharge limits of the receiving environment in accordance with the legislation.

Water Management in Supply Chain

The availability of fresh water supply is critical for suppliers' processes, both in relation to physical and regulatory conditions. In addition to the ratio of fresh water sources, Tofaş continuously obtains data from its direct material suppliers through regular surveys on water consumption, quantity and quality of wastewater generated, wastewater discharge and discharge points, wastewater management systems and treatment processes.

In the light of the data collected from suppliers, a risk profile and risk matrix were created, including risk assessments in case of possible legislative changes and process continuity. As a result of this assessment, no risk was observed. In addition, environmental impact assessment is carried out using the Environmental Impact Assessment (EIA) matrix, which includes water-related issues through data. Through this matrix, the correct use of environmental aspects, including water resources, is ensured and a development programme is designed for suppliers to reduce environmental impacts.

Stakeholder-Related Water Risk Assessment

Stakeholders	Relevance and Scope	Description
Customers	Not relevant, including	Tofaş takes into account customer demands to make its production processes sustainable. In this context, Tofaş reports water as a material issue in its Sustainability Reports.
Employees	Relevant, always included	Tofaş considers the needs of employees in risk assessments. In addition to providing sufficient drinking water for its employees to use, Tofaş provides water saving trainings to its employees.
Investors	Relevant, always included	Borsa Istanbul Stock Exchange has launched a Sustainability Index where water-related issues are included in the evaluation criteria. Water-related issues are one of the material issues reported to all stakeholders in Tofaş's Sustainability Report.
Local communities	Relevant, always included	Tofaş actively contributes to the development of local communities and strives to minimise any negative impact on the environment. At facilities located in water-stressed areas, Tofaş works to minimise water withdrawal and improve the quality of discharged water. In these areas, it collaborates with local authorities and suppliers to carry out projects and initiatives that have a positive impact on local communities.
NGOs	Relevant, always included	NGOs are included in Tofaş's risk assessment for both reputation and benchmarking purposes. Tofaş develops collaborations with NGOs and receives their opinions and suggestions according to their areas of expertise.
Other water users at catchment/ basin level	Relevant, always included	DOSAB Industrial Zone has groundwater extraction wells and a treatment plant in the same basin.
Organisers	Relevant, always included	With pressures on water suppliers expected to continue, government authorities are requiring them to achieve zero liquid discharge in their operations as a way of incentivising producers to reuse water and reduce their overall water use.
River basin management authorities	Relevant, always included	State authorities are preparing a catchment plan to achieve zero waste discharge to the Nilüfer River in the future as well as to reduce treated water effluent limits.
Legal special interest groups at local level	Relevant, always included	Tofaş is a member of OSD and TÜSİAD working groups. Tofaş is also the leader of Koç Holding's water management and risk assessment working group.
Suppliers	Relevant, always included	Water scarcity at suppliers will directly affect Tofaş production. Tofaş carries out audits at suppliers to improve water management.
Water services at local level	Relevant, always included	DOSAB Industrial Zone provides services for water facilities. In any future arrangement, Tofaş considers DOSAB services as an alternative that it can use.
University	Relevant, always included	Tofaş cooperates with Uludağ University Environmental Engineering Department on water management and wastewater quality.

Tofaş's Capitals - Natural Capital

CIRCULAR ECONOMY

The circular economy is of great importance in terms of conserving natural resources, reducing waste, increasing economic resilience and ensuring environmental sustainability. This model contributes to a more sustainable future by providing both environmental and economic benefits. Tofaş is developing its circular economy strategy in line with Stellantis' approach to this issue. Tofaş uses recycling and innovative materials in its production processes to increase resource efficiency and minimise waste within the scope of the circular economy.

Waste Management

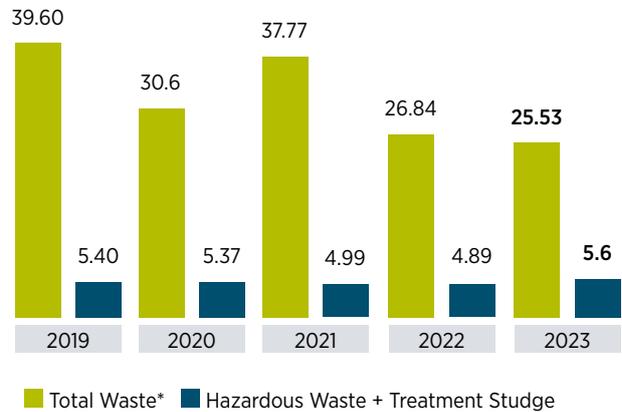
Adopting the principles of sustainable production, Tofaş's Bursa Plant ensures efficiency in the use of natural resources through 5R (Refuse, Reduce, Reuse, Recycle, Recover) improvements in all production processes.

The basic principle of Tofaş is "not to treat, but not to pollute at all" in order to achieve the zero waste/zero loss target. As required by its Environmental and Energy Policy, Tofaş aims to reduce waste at its source and recover as much as possible. In this context, 100% of the industrial waste generated in production processes is used for material recovery and as a raw material and energy source in the cement industry, thus achieving the "Zero Waste Disposal" target.

With the Zero Waste Management System, pollution is prevented at the source, waste is prevented through responsible and efficient use of resources, and wastes are separated at the source, collected and recycled. With its Zero Waste Management System, Tofaş holds the "Zero Waste Certificate" issued by the Ministry of Environment, Urbanisation and Climate Change.

Tofaş operations generated 56,892 tons of waste in 2023, of which 1,349 tons were hazardous and 55,543 tons were non-hazardous. The amount of waste per vehicle was 25.53 kg. Tofaş aims to reduce this amount to 25.13 kg/vehicle in 2024. Tofaş carries out numerous efforts to reuse the wastes generated during its production activities and to use them as raw materials in vehicle production.

WASTE AMOUNT (KG/VEHICLE)



*Excluding pressed sheet metal waste and non-production waste.

Management of Hazardous Chemicals

One of the important components of the circular economy approach is to minimise the use of hazardous chemicals. At Tofaş, the use of hazardous chemicals is meticulously managed.

Before a new chemical product is put into use, it is evaluated by environmental, health and occupational safety experts and if the evaluation is positive, the relevant chemical is put into use. Safety data sheets of the products are kept at points accessible by employees at all times. In addition to approval processes, measures such as structural measures such as overflow pools, underground tanks and keeping emergency response equipment ready to be used in case of accidental release are implemented. All employees are supported with trainings and drills on what to do in case of a chemical spill. There were no chemical spill incidents in the reporting year.

With the principle of responsible use of materials, we are working to optimise the amount of chemicals used and stored. The amount of chemicals stored has decreased by 32% in the last 5 years with practices such as the introduction of different alternative materials and automatic dosing.

Use of Environmentally Friendly Materials

Tofaş evaluates its products and services from a life-cycle perspective and manages the positive and negative impacts they create in the best possible way. To this end, Tofaş works to minimise the environmental impact arising from the production and use of its vehicles.

The use of renewable, recycled and low carbon footprint materials in products is among the strategic goals of Stellantis. At Tofaş, the use of green materials in products was 11% in 2023 and the target is to increase this rate to 14% in 2024.

In cooperation with Stellantis, the Tofaş R&D team is working to develop recycled and environmentally friendly materials that will be used all over the world. Some of the studies carried out by Tofaş R&D Centre in this context are as follows:

- **Multicycle:** Started in 2019 and completed in 2022, Multicycle is a project for the infinite use of the same raw material with the method developed for the recovery of plastic raw material with original properties.
- **Light bee:** Within the scope of the Light bee project, which started in 2019 and completed in 2023, an ecodesigned battery carrier was developed using 100% recyclable aluminium.
- **Revolution:** Work on the Revolution project, which started in 2021 and was targeted to be completed in 2024, continued in 2023. The project aims to digitise recycled plastics for safety and functional parts.
- **Vital:** Started in 2022 and targeted for completion in 2025, the Vital project aims to develop biomaterials using foaming processes for interior applications. The project promotes the use of more environmentally friendly and sustainable materials in automotive interiors.
- **Ocean Fabric:** Within the scope of the project, pet bottle wastes collected from the sea are recycled and used in the production of fabric seats.
- **Bio-Based Polymer Usage:** Bio-based polymers are materials derived from renewable resources designed to replace fossil fuel-based polymers. Tofaş R&D team carries out studies on the use of environmentally friendly bio-based polymers in vehicle parts.
- **Eurotec:** The Eurotec project aims to develop aesthetic and durable plastic door panels using natural fibre reinforced polypropylene (PP). The project is planned to be implemented in 2024.
- **Gema:** The Gema project aims to develop aesthetic and functional centre consoles using natural fibre reinforced polylactic acid (PLA). The project is planned to be realised in 2024.

Tofaş's Capitals - Natural Capital

Oleatex Project

The Oleatex Project is an important initiative that aims to increase environmental sustainability and promote the use of innovative, environmentally friendly materials in the automotive industry. This project, internally funded by Tofaş, aims to develop bio-based leather from olive waste for automotive interior applications. The project is realised in collaboration with Oleago, a local start-up developing the only olive-based leather in the world.

Main Objectives of the Project:

- To increase the use of environmentally friendly and sustainable materials in the automotive sector.
- Stellantis and producing automotive seats using olive-based leather for the first time worldwide.
- To realise the first locally developed bio-based leather production for automotive applications in Türkiye.

Circularity Effect:

- It offers a recyclable material made from plant-based waste and recycled materials.
- Reduces carbon footprint by more than six times.
- Does not require the use of water.
- All bio-waste is of local origin and the process takes place within a radius of 100 km.
- A patented formula developed to protect nature and life is used without the use of solvents.

Recycling Activities

Tofaş ensures the recyclability of its products at the end of their useful life with the life cycle approach it has developed, starting with the selection of materials for its vehicles. At end-of-life, three different recovery methods are applied: reuse of parts, recycling of materials, and energy recovery. Tofaş prioritises eco-design options to fulfil its obligations and carries out processes for the proper collection and processing of end-of-life vehicles. These activities are carried out in close co-operation with suppliers, legal authorities and certified recycling institutions.

At Tofaş, packaging wastes such as wood, cardboard and nylon are recycled when materials are delivered for use in production. Waste cardboard packaging is reused in spare parts export shipments, while scrap pallets and wood are transformed into wooden planters for landscaping work needed in the factory.

Tofaş recycles parts of end-of-life vehicles that can be reused and disposes of the rest in accordance with national and international regulations. In accordance with the regulations, vehicles must meet a 95% recovery rate and 85% of materials must be reused or recycled.

Tofaş focuses on two main areas: second-hand vehicles and refurbished spare parts. Second-hand vehicles are bought from the market, refurbished and resold, while refurbished spare parts refer to used parts that are repaired or remanufactured and offered for resale.

Performance Charts

Economic and Operational Indicators

	2019	2020	2021	2022	2023
Production (units)	264,197	250,630	228,544	263,747	239,428
Total Retail Sales (units)	78,692	141,976	124,738	148,797	200,794
Automobile	59,602	97,015	76,565	100,722	132,774
Light Commercial Vehicle	19,090	44,961	48,173	48,064	68,019
Total Exports (units)	194,145	117,903	112,477	121,485	60,494
Automobile	107,189	61,502	46,116	39,109	42,696
Light Commercial Vehicle	86,956	56,401	66,361	82,376	17,798
Capacity Utilisation Rate (%)	59	56	54	58	53
Net Sales (thousand TL)	18,896,914	23,556,747	29,684,305	124,019,056	127,601,000
Domestic	5,355,308	12,441,509	14,264,210	64,404,976	97,507,870
Exports	13,301,313	10,821,043	14,643,275	56,580,671	25,124,652
Other sales from operating activities	240,293	294,195	776,820	3,033,409	4,968,478
Profit Before Tax (thousand TL)	1,456,555	1,830,776	3,512,216	10,778,351	18,326,525
Profit After Tax (thousand TL)	1,481,639	1,784,170	3,281,316	9,374,039	15,083,439
EBITDA (thousand TL)	2,479,757	3,025,512	5,794,126	18,115,118	19,666,722
Earnings per Share (Kr)	2.96	3.57	6.56	18.75	30.17
Economic Value Generated - Net Revenues (thousand TL)	18,896,914	23,556,747	29,684,305	127,601,000	127,601,000
Economic Value Distributed (thousand TL)	17,438,696	21,861,477	25,716,057	111,325,512	117,752,291
Operating Costs	15,615,177	19,699,090	22,846,755	102,214,880	102,776,924
Employee Wages and Other Benefits	907,408	916,840	1,241,339	4,666,603	5,784,750
Dividends Paid to Shareholders	880,000	1,200,000	1,500,000	3,200,000	4,493,680
Taxes and other liabilities paid to the government	29,383	31,884	113,178	1,219,160	4,644,502
Social Investments	10,000	13,663	14,785	24,868	52,435
Economic Value Retained (thousand TL)	1,458,218	1,695,270	3,968,248	16,275,488	9,848,709
Incentives Received from the Government (thousand TL)	266,290	325,440	931,703	1,612,270	2,597,886
Corporate Governance Rating	9.26	9.26	9.26	9.26	9.27
Total R&D budget (million TL)	355	575	882	671	1220
Total number of R&D employees (person)	710	579	600	600	604
Number of Patents Received (number)	23	49	55	71	21

*Financial results for 2022 and 2023 have been prepared in accordance with inflation accounting and adjusted based on the purchasing power of 2023.

Environmental Indicators

	2019	2020	2021	2022	2023
Total Energy Consumption (GJ)	1,042,245	993,438	884,925	841,801	666,508
Direct Energy Consumption - Natural Gas (GJ)	593,241	578,984	497,066	463,607	355,202
Indirect Energy Consumption (GJ)	449,004	414,454	387,859	378,194	311,306
Elektricity	449,004	414,454	387,859	378,194	311,306
Steam	-	-	-	-	-
Energy Consumption per Vehicle Manufactured (GJ/vehicle)	4.00	4.00	4.00	3.19	2.78
Energy Saved Through Efficiency Projects (GJ)	48,975	31,155	77,974	115,055	224,948
GHG Emission Reduction Through Efficiency Projects (ton CO ₂ e)	3,960	2,884	5,148	9,622	17,829
Scope 1	1,584	1,823	3,693	3,693	8,080
Scope 2	2,376	1,061	1,455	5,929	9,749
Direct GHG Emissions (Scope 1) (ton CO ₂ e)	46,266	42,784	55,191	38,313	35,794
Indirect GHG Emissions (Scope 2) (ton CO ₂ e)	53,272	54,757	47,726	46,558	38,498
GHG Emissions From Personnel Commuting (Scope 3) (ton CO ₂ e)	6,306	6,265	6,459	7,114	5,940
GHG Emissions per Vehicle Manufactured (kg CO ₂ e/vehicle)	0.377	0.383	0.389	0.322	0.31
Total VOC Emissions (ton)	921	849	762	859	734
Specific VOC Emissions (gr/m ² painting surface)	32.7	30.9	29.4	27.8	28.8
Total Water Withdrawal - Underground sources (m ³)	929,882	788,444	776,732	794,608	676,233
Fresh Water Consumption per Vehicle Manufactured (m ³ /vehicle)	3.33	2.98	2.91	2.74	2.61
Total Water Recovered (m ³)	62,247,070	60,569,408	59,892,800	60,637,820	62,159,117
Reuse	62,247,070	60,569,408	59,892,800	60,637,820	62,159,117
Recycle	-	-	-	-	-
Wastewater Discharge - Natural Receiving Environment (m ³)	630,014	510,408	437,290	437,947	386,234
Total Amount of Hazardous Waste by Disposal Method (ton)	1,495	1,808	1,280	1,292	1,349
Energy Recovery	1,093	1,161	1,280	1,292	1,349
Recovery	402	647	-	-	-
Landfill	-	-	-	-	-

Performance Charts

Environmental Indicators (cont'd)

	2019	2020	2021	2022	2023
Total Amount of Non-hazardous Waste by Disposal Method (ton)	55,507	58,285	55,086	62,690	55,543
Energy Recovery	1,120	1	-	-	-
Recovery	54,387	58,284	55,086	62,690	55,543
Amount of Hazardous Waste Transferred for Disposal Purposes (ton)	1,495	1,808	1,280	1,292	1,349
Amount of Electronic Waste (ton)	10	15	10	11	10
Total Packaging Material Used (ton)	6,022	5,895	5,555	5,745	4,721
Packaging Waste Recovery Ratio (%)	100	100	100	100	100
Environment Training for Personnel - Participation (number of participants)	12,842	13,099	7,778	7,996	4,748
Company's Own Personnel	3,521	5,099	6,458	6,889	3,048
Contractor Personnel	9,321	8,000	1,320	1,107	1,700
Environment Training for Personnel - Total Hours (person x hours)	4,850	9,584	11,007	12,380	30,599
Company's Own Personnel	3,521	8,572	9,688	10,757	28,898
Contractor Personnel	1,329	2,012	1,319	1,623	1,701
Total Environmental Management Costs (TL)	1,176,024	1,320,000	1,300,249	2,485,000	1,996,000
Fines Associated with Violation of Regulations on Environment (number of fines, TL values)	0	0	0	0	41772
Environmental Impact-related Complaints Received Through Formal Mechanisms (number of complaints)	0	0	0	0	0
Total Number of Suppliers Assessed Based on Environmental Criteria	13	12	16	16	16

Social Indicators

	2019	2020	2021	2022	2023
Total Working Hours	14,543,466	13,173,432	11,945,333	12,386,964	10,348,443
Personnel Training - Number of Participants	43,215	37,726	44,054	27,694	26,456
Tofaş Field Personnel	16,118	18,237	39,575	15,052	16,296
Tofaş Office Personnel	7,723	11,905	4,479	12,642	10,160
Dealer Personnel	18,101	7,290	4,014	6,924	2,993
Supplier Personnel	1,273	294	838	263	294
Female	5,534	5,662	8,677	4,569	3,557
Male	37,681	32,064	35,377	35,320	22,899
Personnel Training - Total Number of Hours (person x hour)	329,409	247,274	239,099	164,128	123,272
Tofaş Field Personnel	123,193	119,800	132,910	93,754	79,058
Tofaş Office Personnel	97,283	57,566	106,189	70,374	44,714
Dealer Personnel	96,340	68,122	48,569	47,083	52,262
Supplier Personnel	12,593	1,786	6,776	2,376	2,558
Female	50,894	39,262	32,954	22,847	12,415
Male	278,515	208,011	206,145	141,281	111,357
Average Hours of Training per Personnel (hours/person)	29.3	26.2	18.7		22.5
Tofaş Field Personnel	22.9	22.9	17.9	25.2	10.1
Tofaş Office Personnel	58.9	37.2	64.3	12.4	52.1
Dealer Personnel	19.2	20.3	12.1	6.8	4.9
Supplier Personnel	18.2	3.1	8.1	9	8
Female	24.2	22.7	15.4	12.7	14.8
Male	16.6	14.2	10.6	13.4	19.7
OHS Training for Personnel - Number of Participants	8,496	5,942	10,200	8,624	9,062
Company's Own Personnel	4,795	4,201	6,128	4,517	4,927
Contractor Personnel	3,701	1,741	4,072	4,107	4,135
OHS Training for Personnel - Total Number of Hours	36,168	36,490	77,199	40,734	69,131
Company's Own Personnel	34,575	35,184	74,512	36,948	66,030
Contractor Personnel	8,496	1,306	2,687	3,786	3,101

Performance Charts

Social Indicators (cont'd)

	2019	2020	2021	2022	2023
Number of Accidents	46	29	19	27	49
Company's Own Personnel	31	15	11	18	35
Contractor Personnel	15	14	8	9	14
Non-LTA Rate (first aid)					
Company's Own Personnel	0.15	0.14	0.09	0.15	0.22
Contractor Personnel	0.45	0.4	0.39	0.33	0.31
Occupational Disease Rate (ODR)					
Company's Own Personnel	0	0.01	0	0	1
Contractor Personnel	0	0	0	0	0
LTA Rate (number of accidents resulting in loss of ≥ 1 day x 100,000 / working hours)					
Company's Own Personnel	0.06	0.07	0.07	0.12	0.07
Contractor Personnel	0.23	0.22	0.17	0.18	0.17
Number of Occupational Casualties	0	0	0	0	
Company's Own Personnel	0	0	0	0	0
Contractor Personnel	0	0	0	0	2
Number of personnel engaged in activities with a high risk of accident or occupational disease	0	0	0	0	0
Number of Currently Available OHS Committees	9	9	9	9	9
Total Number of Members in OHS Committees	99	99	99	99	99
Number of Employee Representatives in OHS Committees	12	12	12	12	12
Total Number of Suppliers Assessed Based on Workforce Criteria	14	14	14	16	16

Employee Demography

	2018	2019	2020	2021	2022	2023
Total Employment (number)	8,526	7,421	7,401	7,237	6,569	6,470
Company's Own Personnel	7,694	6,720	6,876	6,410	5,935	5,889
Female	800	694	668	645	599	694
Male	6,894	6,026	6,208	5,765	5,336	5,195
Contractor Personnel	832	701	525	827	634	581
Total Number of Employees by Contract Type	7,694	6,720	6,876	6,410	5,935	5,889
Permanent	7,665	6,714	6,425	6,408	5,928	5,213
Female	794	694	668	645	599	593
Male	6,871	6,020	5,757	5,763	5,329	4,620
Temporary	23	5	451	2	7	676
Female	-	-	-	-	0	101
Male	23	5	451	2	7	575
Total Number of Employees by Categories	7,694	6,720	6,876	6,410	5,935	5,889
Field Personnel	6,009	5,171	5,394	4,946	4,488	4,369
Female	421	339	325	311	259	322
Male	5,588	4,832	5,069	4,635	4,229	4,047
Office Personnel	1,685	1,549	1,482	1,464	1,447	1,520
Female	379	355	343	334	340	372
Male	1,306	1,194	1,139	1,130	1,107	1,148
Total Number of Employees by Employment Type	7,694	6,720	6,876	6,410	5,935	5,889
Full Time	7,694	6,720	6,876	6,410	5,935	5,889
Female	800	694	668	645	599	694
Male	6,894	6,026	6,208	5,765	5,336	5,195
Part Time	-	-	-	-	0	0
Total Number of Employees by Education Levels	7,694	6,720	6,876	6,410	5,935	5,889
Primary School	367	252	239	190	162	116
High School	4,473	3,892	4,040	3,718	3,371	3,262
University and Higher	2,854	2,576	2,597	2,502	2,402	2,511

Performance Charts

Employee Demograph (cont'd)

	2018	2019	2020	2021	2022	2023
Total Number of Employees By Age Groups	7,694	6,720	6,875	6,410	5,935	5,889
18-30	2,984	2,215	2,252	1,804	1,439	1,752
31-40	3,304	3,228	3,346	3,323	3,016	2,851
41-50	1,307	1,167	1,083	1,112	1,290	1,169
51-60	98	110	194	170	190	117
Top Management (number)	17	19	19	18	19	18
By Gender	17	19	19	18	19	18
Female	-	1	1	1	1	1
Male	17	18	18	17	18	17
By Age Group	17	19	19	18	19	18
18-30	-	-	-	-	0	0
31-40	1	1	-	-	0	0
41-50	9	8	7	6	7	6
51-60	7	10	12	12	12	12
Nationality	17	19	19	18	19	18
Republic of Turkey	15	17	17	16	17	17
Expat	2	2	2	2	2	1
Mid-level Management (number)	281	263	260	258	263	271
By Gender	281	263	260	258	263	271
Female	39	37	37	39	37	43
Male	242	226	223	219	226	228
By Age Group	281	263	260	258	263	271
18-30	9	5	4	1	2	4
31-40	138	124	113	104	94	98
41-50	100	102	110	119	130	129
51-60	34	32	33	34	37	40
Those Falling Under Collective Bargaining (number)	6,009	5,171	5,346	4,946	4,488	4,369

Employee Demograph (cont'd)

	2018	2019	2020	2021	2022	2023
New Personnel (number)	245	5	497	384	235	1124
By Gender	245	5	497	384	235	1124
Female	76	1	12	31	67	216
Male	169	4	485	353	168	908
By Age Group	245	5	497	384	235	1124
18-30	206	4	434	346	175	981
31-40	36	-	13	35	54	83
41-50	3	1	4	2	6	39
51-60	-	-	46	1	0	21
Those Who Resigned (number)	1,801	843	853	594	758	1120
By Gender	1,801	843	853	594	758	1120
Female	155	83	97	59	123	123
Male	1,646	760	756	535	635	997
By Age Group	1,801	843	853	594	758	1120
18-30	1,256	448	556	258	237	368
31-40	242	170	93	152	318	245
41-50	222	131	49	63	66	349
51-60	80	94	155	121	137	158
Those on Parental Leave (number)	644	624	481	470	384	327
Female	97	102	93	63	55	53
Male	547	522	388	407	329	274
Those Who Returned After Parental Leave (number)	644	624	458	459	365	308
Female	97	102	70	59	51	46
Male	547	522	388	400	314	262
Those Who Returned From Parental Leave and Did Not Resign in the Last 12 Months (number)	585	596	464	459	365	296
Female	78	90	89	66	51	44
Male	507	506	375	393	314	252

GRI Content Index



CONTENT INDEX
ESSENTIALS SERVICE

2024

Statement of use	Tofaş has reported in accordance with the GRI Standards for the period 1 January 2023-31 December 2023.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	About Tofaş, p. 4-5			
	2-2 Entities included in the organization's sustainability reporting	About This Report, p. 1			
	2-3 Reporting period, frequency and contact point	About This Report, p. 1			
	2-4 Restatements of information	There is no restated information in the report.			
	2-5 External assurance	Assurance Statement, p. 97-101			
	2-6 Activities, value chain and other business relationships	About Tofaş, p. 2 Key Highlights, p. 4-5			
	2-7 Employees	Employee Demography, p. 91			
	2-8 Workers who are not employees	Employee Demography, p. 91			
	2-9 Governance structure and composition	Corporate Governance At Tofaş, p. 18			
	2-10 Nomination and selection of the highest governance body	Tofaş acts within the framework of the regulations stipulated by the Turkish Commercial Code and the Capital Markets Board regarding the minimum qualifications required for the election of Board members.			
	2-11 Chair of the highest governance body	The Chairman of the Board of Directors has no executive duties.			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Management , p. 27-28			
	2-13 Delegation of responsibility for managing impacts	Sustainability Management , p. 27-28			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management , p. 27-28			
	2-15 Conflicts of interest	Ethical Behavior& Anticorruption At Tofaş, p. 27 Human Rights, p. 59			
	2-16 Communication of critical concerns	Ethical Behavior& Anticorruption At Tofaş, p. 27 Partnering With Stakeholders To Address Climate Change, p. 32-33			

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	2-17 Collective knowledge of the highest governance body	Tofaş 2023 Annual Report: https://tofas.com.tr/en/InvestorRelations/AnnualandInterimReports/Documents/Annual_Report_2023.pdf ; https://www.tofas.com.tr/Yatirimcilliskileri/FaaliyetRaporlari/Documents/2023FaaliyetRaporu.pdf			
	2-18 Evaluation of the performance of the highest governance body	Tofaş 2023 Annual Report: https://tofas.com.tr/en/InvestorRelations/AnnualandInterimReports/Documents/Annual_Report_2023.pdf ; https://www.tofas.com.tr/Yatirimcilliskileri/FaaliyetRaporlari/Documents/2023FaaliyetRaporu.pdf			
	2-19 Remuneration policies	Remuneration Policy for Top-Level Managers and Members of the Board of Directors, p. 19			
	2-20 Process to determine remuneration	Remuneration Policy for Top-Level Managers and Members of the Board of Directors, p. 19			
	2-21 Annual total compensation ratio	-		Confidentiality constraints	Since the data subject to the indicator includes indicators that may affect competition in the market, it is not shared for confidentiality reasons.
	2-22 Statement on sustainable development strategy	Sustainability Management , p. 27-28 Tofaş's Sustainability Priorities, p. 29-30			
	2-23 Policy commitments	Human Rights, p. 59 Low-Carbon Economy Transition, p. 76			
	2-24 Embedding policy commitments	Human Rights, p. 59 Low-Carbon Economy Transition, p. 76			
	2-25 Processes to remediate negative impacts	Risk Management At Tofaş, p. 19-23 Partnering With Stakeholders To Address Climate Change, p. 32-33 Supply Chain Water-Management, p. 80			
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Relations At Tofaş, p. 31-32			
	2-27 Compliance with laws and regulations	During the reporting period, there were no penalties imposed for violations of the law or any cases of corruption and misconduct.			
	2-28 Membership associations	Corporate Memberships, p. 34			
	2-29 Approach to stakeholder engagement	Stakeholder Relations At Tofaş, p. 31-32			
	2-30 Collective bargaining agreements	Respect For Unionization Rights, p. 65			

GRI Content Index

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Tofaş's Sustainability Priorities, p. 29-30			
	3-2 List of material topics	Tofaş's Sustainability Priorities, p. 29-30			
Economic Performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	CEO's Assessment, p. 6-9 The Automotives Industry & Tofaş, p.12-13 Financial Capital, p. 35-40 Business Model, p. 14-15			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital, p. 35-40			
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change and Risk Assessment, p. 20-23			
	201-3 Defined benefit plan obligations and other retirement plans	Financial & Social Benefits, p. 64-65			
	201-4 Financial assistance received from government	Tofaş has not benefited from any government incentives as of the report date.			
Market Position					
GRI 3: Material Topics 2021	3-3 Management of material topics	Tofaş's Sustainability Priorities, p. 29-30			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The standard entry-level wages of all Tofaş employees are above the local minimum wage.			
	202-2 Proportion of senior management hired from the local community	All of Tofaş's senior management are citizens of the Republic of Turkey.			
Economic Impact					
GRI 3: Material Topics 2021	3-3 Management of material topics	Financial Capital, p. 35-40 Intellectual Capital, p. 52-57			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Intellectual Capital, p. 52-57			
	203-2 Significant indirect economic impacts	Financial Capital, p. 35-40			

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 207: Tax 2019	207-1 Approach to tax	Financial Capital, p. 35-40 Economic and Operational Indicators, p. 86			
	207-2 Tax governance, control, and risk management	Financial Capital, p. 35-40 Economic and Operational Indicators, p. 86			
	207-3 Stakeholder engagement and management of concerns related to tax	Financial Capital, p. 35-40 Economic and Operational Indicators, p. 86			
	207-4 Country-by-country reporting	About This Report, p. 1 Financial Capital, p. 35-40 Economic and Operational Indicators, p. 86			
Local Purchasing					
GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain, p. 47-51			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Produced Capital, p. 41-51 Supply Chain, p. 47-51			
Non-Competitive Conditions					
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethical Behavior & Anticorruption At Tofaş, p. 27-28			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Ethical Behavior & Anticorruption At Tofaş, p. 27-28			
	205-2 Communication and training about anti-corruption policies and procedures	Ethical Behavior & Anticorruption At Tofaş, p. 27-28			
	205-3 Confirmed incidents of corruption and actions taken	Ethical Behavior & Anticorruption At Tofaş, p. 27-28			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI Content Index: There were no incidents of anti-competitive behaviour during the reporting period.			
GRI 415: Public Policy 2016	415-1 Political contributions	GRI Content Index: Tofaş has adopted the principle of impartiality and sensitively maintains its impartiality with its policies in this regard.			

GRI Content Index

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Sustainable Product					
GRI 3: Material Topics 2021	3-3 Management of material topics	Green Procurement, p. 48 Circular Economy, p. 82-85 Eco-Friendly Materials, p. 83-84 Recycling Activities: p. 85			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Eco-Friendly Materials, p. 83-84 Recycling Activities: p. 85			
	301-2 Recycled input materials used	Eco-Friendly Materials, p. 83-84 Recycling Activities: p. 85			
	301-3 Reclaimed products and their packaging materials	Eco-Friendly Materials, p. 83-84 Recycling Activities: p. 85			
Energy Efficiency					
GRI 3: Material Topics 2021	3-3 Management of material topics	Low-Carbon Economy Transition: p. 76-77 Energy and Emission Management, p. 77-79			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Emission Management, p. 77-78 Environmental Indicators, p. 87-88			
	302-2 Energy consumption outside of the organization	Energy and Emission Management, p. 77-78 Environmental Indicators, p. 87-88			
	302-3 Energy intensity	Energy and Emission Management, p. 77-78 Environmental Indicators, p. 87-88			
	302-4 Reduction of energy consumption	Energy and Emission Management, p. 77-79 Energy Efficiency, p. 78			
	302-5 Reductions in energy requirements of products and services	Extensive Brand and Product Portfolio, p. 44-47 Energy and Emission Management: p. 77-78 Energy Efficiency, p. 78			

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Water Consumption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Management, p. 79-80 Supply Chain Water-Management, p. 80-81			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, p. 79-80 Supply Chain Water-Management, p. 80-81			
	303-2 Management of water discharge-related impacts	Water Management, p. 79-80 Supply Chain Water-Management, p. 80-81			
	303-3 Water withdrawal	Water Management, p. 79-80 Environmental Indicators, p. 87-88			
	303-3 Water withdrawal	Water Management, p. 79-80 Environmental Indicators, p. 87-88			
	303-5 Water consumption	Water Management, p. 79-80 Environmental Indicators, p. 87-88			
Waste Water					
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Management, p. 79-80 Supply Chain Water-Management, p. 80-81			
GRI 303: Water and Effluents 2018	303-4 Water discharge	Water Management, p. 79-80 Environmental Indicators, p. 87-88			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Management, p. 79-80			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Tofaş operations do not have a site in the relevant status.			
	304-2 Significant impacts of activities, products and services on biodiversity	Water Management, p. 79-80			
	304-3 Habitats protected or restored	There are no protected or restored habitats in areas affected by Tofaş operations.			

GRI Content Index

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Greenhouse Gas Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change and Risk Assessment, p. 20-24 Low-Carbon Economy Transition, p. 76-77 Energy and Emission Management, p. 77-79			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and Emission Management, p. 77-79 Environmental Indicators, p. 87-88			
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and Emission Management, p. 77-79 Environmental Indicators, p. 87-88			
	305-3 Other indirect (Scope 3) GHG emissions	Energy and Emission Management, p. 77-79 Environmental Indicators, p. 87-88			
	305-5 Reduction of GHG emissions	Energy and Emission Management, p. 77-79 Environmental Indicators, p. 87-88			
	305-6 Emissions of ozone-depleting substances (ODS)	Air Emissions, p. 79 Environmental Indicators, p. 87-88			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Emissions, p. 79 Environmental Indicators, p. 87-88			
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	Circular Economy, p. 82-85 Waste Management, p. 82-83			
GRI 306- Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, p. 82-83 Environmental Indicators, p. 87-88			
	306-2 Management of significant waste-related impacts	Waste Management, p. 82-83 Environmental Indicators, p. 87-88			
	306-4 Waste diverted from disposal	Waste Management, p. 82-83 Management of Hazardous Chemicals, p. 83			
	306-5 Waste directed to disposal	Water Management, p. 79-80 Water Pollution and Wastewater Management, p. 80			

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GHG in Supply Chain					
GRI 3: Material Topics 2021	3-3 Management of material topics	Partnering With Stakeholders To Address Climate Change, p. 32-33 Sustainability In Supply Chain, p. 48 Green Procurement, p. 48 Supply Chain Water-Management, p. 80-81			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability In Supply Chain, p. 48 Green Procurement, p. 48			
	308-2 Negative environmental impacts in the supply chain and actions taken	Partnering With Stakeholders To Address Climate Change, p. 32-33 Sustainability In Supply Chain, p. 48 Green Procurement, p. 48 Supply Chain Water-Management, p. 80-81			
Gender Equality					
GRI 3: Material Topics 2021	3-3 Management of material topics	Inclusion and Diversity , p. 59			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Inclusion and Diversity , p. 59 Employee Demography, p. 91-93			
	405-1 Diversity of governance bodies and employees	There is no gender-based wage discrimination at Tofaş.			
Human Rights Impact					
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethical Behavior& Anticorruption At Tofaş, p. 27-28 Human Rights, p. 58-59;Respect For Unionization Rights, p. 65 Sustainability In Supply Chain, p. 48			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Rights, p. 58-59 There were no cases of discrimination during the reporting period.			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There were no cases where the right to organise and collective bargaining was at risk.			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Tofaş does not employ child labour under any circumstances.			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	In 2023, there were no cases of forced or compulsory labour.			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	There were no cases of violation during the reporting period.			

GRI Content Index

GRI Standard	Disclosure	Location	Omission	
			Requirement(s) Omitted	Reason Explanation
Community Beneficial Projects				
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relational Capital, p. 70-73 Supply Chain Water-Management p. 81		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relational Capital, p. 70-73 Supply Chain Water-Management p. 81		
	413-2 Operations with significant actual and potential negative impacts on local communities	Social and Relational Capital, p. 70-73 Supply Chain Water-Management p. 81		
External Stakeholder Social and Environmental Compliance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability In Supply Chain, p. 48 Green Procurement, p. 48		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Green Procurement, p. 48		
	414-2 Negative social impacts in the supply chain and actions taken	Green Procurement, p. 48		
Number of Internal Stakeholders				
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital, p. 58-69 Employee Experience, p. 65-66 Respect For Unionization Rights, p. 65		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Demography, p. 91-93		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights, p. 64-66		
	401-3 Parental leave	Inclusion and Diversity , p. 59 Social Indicators, p. 89-90		
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Respect For Unionization Rights, p. 65		

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
OHS					
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety, p. 67-69			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, p. 67-69			
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, p. 67-69 Risk Orientated OHS Approach , p. 68			
	403-3 Occupational health services	Occupational Health and Safety, p. 67-69			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, p. 67-69			
	403-5 Worker training on occupational health and safety	Occupational Health and Safety Culture p. 68			
	403-6 Promotion of worker health	Occupational Health and Safety, p. 67-69			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p. 67-69			
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, p. 67-69			
	403-9 Work-related injuries	Occupational Health and Safety, p. 67-69 Social Indicators, p. 89-90			
	403-10 Work-related ill health	Occupational Health and Safety, p. 67-69 Social Indicators, p. 89-90			

GRI Content Index

GRI Standard	Disclosure	Location	Omission	
			Requirement(s) Omitted	Reason Explanation
Education Opportunities				
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Management, p. 60-62 Career Management, p. 63-64		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Development, p. 60		
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development, p. 60 Career Management, p. 63-64		
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Management System, p. 62 Social Indicators, p. 89-90		
Product Information				
GRI 3: Material Topics 2021	3-3 Management of material topics	Quality Management, p. 25-26 Customer Satisfaction, p. 42-43		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Customer Satisfaction, p. 42-43		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance during the reporting period.		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Customer Satisfaction, p. 42-43		
	417-2 Incidents of non-compliance concerning product and service information and labeling	There were no incidents of non-compliance during the reporting period.		
	417-3 Incidents of non-compliance concerning marketing communications	There were no incidents of non-compliance during the reporting period.		
Data Privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Satisfaction, p. 42-43		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no complaints regarding breach of customer confidentiality and loss of customer data.		
External Stakeholder Child Labour				
GRI 3: Material Topics 2021	3-3 Management of material topics	Tofaş's Sustainability Priorities, p. 29-30 Human Rights, p. 58-59		

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Fighting Poverty					
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital, p. 58-69 Social & Relational Capital, p. 70-73			
R&D and Innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Intellectual Capital, p. 52-57			
GHG from Vehicle Production					
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy and Emission Management, p. 77-79			
Digitalisation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Digitalisation in Supply Chain, p. 50-51 Intellectual Capital, p. 52-57			
Renewable Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Low-Carbon Economy Transition, p. 76-77 Energy and Emission Management, p. 77-79			
Ozone Layer					
GRI 3: Material Topics 2021	3-3 Management of material topics	Air Emissions, p. 79 Environmental Indicators, p. 87-88			
Risk and Opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Based Risk and Opportunity Analysis , p. 20-23			
Supply Chain Energy Consumption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability In Supply Chain, p. 48 Green Procurement, p. 48			
Access to Water Resources					
GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain Water-Management, p. 80-81 Water Management, p. 79-80 Stakeholder-Related Water Risk Assessment , p. 81			
Environmentally Sensitive External Stakeholder					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability In Supply Chain, p. 48 Stakeholder-Related Water Risk Assessment, p. 81			

GRI Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The service was performed on the English version of the report.

Tofaş Türk Otomobil Fabrikası A.Ş.

Assurance Statement (Limited Level)



To: TOFAŞ A.Ş.

Introduction and objectives of the work:

Bureau Veritas Certification has been engaged by Tofaş A.Ş. to provide independent assurance over the "Selected Information" listed below included Integrated Action Form

This limited assurance report applies to "Selected Information" within the scope of the work described below.

Scope of Work:

The scope of the work was limited to assurance over information included in the Integrated Report 2023 for the reporting period January 1, 2023 to December 31, 2023 (the 'Selected Information').

The scope of the indicators marked on the following pages of the 2023 Integrated Report, which is the subject of our limited assurance work, is as follows as of the year ended December 31, 2023;

Selected Information		
GRI Scope	Topic	Disclosure
GRI 302: Energy 2016	GRI 302-4 Reduction on Energy Usage	The amount of reduction in energy consumption achieved as a direct result of conservation and efficiency initiatives, measured in joules or similar energy units
GRI 303: Water and Effluents 2018	GRI 303-3: Water Withdrawal	Total water withdrawal (megalitres) in all regions within the scope of reporting Source Examples: Surface water, groundwater, sea water, mains supply, etc.
	GRI 303-4: Water Discharge	Total water discharge (megalitre) in all regions within the scope of reporting Fields Example: Surface water, groundwater, seawater, sewage, etc.
	GRI 303-5: Water Usage	Total water consumption in all regions within the scope of reporting (megalitres) Total water consumption in regions with water stress and within the scope of reporting
GRI 306: Waste 2020	GRI 306-3: Waste Generated	Total weight of waste produced (in metric tonnes) and distribution of this total according to the composition of the waste.
	GRI 306-5 Waste Directed to Disposal	Total weight of hazardous waste according to disposal methods: Total weight of non-hazardous waste according to disposal methods:

Assessment standard

The assurance process was conducted in line with the requirements of the International Standard On Assurance Engagements-ISAIE 3000 Revised, Assurance Engagements Other Than Audits Or Reviews Of Historical Financial Information and International Standard On Assurance Engagements-, Assurance Engagements on Greenhouse Gas Statements.

Reporting principles

The following principles have been taken as basis in the preparation of this report:

- Appropriateness and robustness of key reporting systems and processes used to collect, analyse and review reported information;
- Evaluation of the report according to the main principles of ISAIE 3000 International Standard for Assurance Engagements (Revised)
 - Professional Scepticism
 - Professional Judgment
 - Assurance Skills and Techniques
- Evaluation of the report according to the principles of conformity, completeness, reliability, objectivity and intelligibility defined in ISAIE 3000 International Standard for Assurance Engagements

Limitations and Exclusions:

The work is limited to for training and human resources data cover in the work limited to Tofaş A.Ş. Bursa Factory and "selected information" defined in the scope.

The reliability of the reported data depends on the accuracy of the location-level data collection and monitoring arrangements that are considered as part of this assurance.

Excluded from the scope of our work is the following:

- Information related to activities outside the defined reporting period or scope;
- Company position statements (including any expression of opinion, belief, aspiration, expectation, aim or future intent);
- Historic text which was unchanged from previous years and did not relate to ongoing activities;
- Financial data;
- Appropriateness of commitments and objectives chosen by to Tofaş A.Ş.;
- Information and emission factors provided by independent third parties and/or information obtained within the Company, as indicated in the calculation tables, regarding calculations related to carbon emissions

This moderate level assurance engagement relies on a risk based selected sample of the Selected Information and the associated limitations that this entails.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities:

The preparation and presentation of the Selected Information in the Integrated Report 2023 are the sole responsibility of the management of to Tofaş A.Ş.

Bureau Veritas Certification was not involved in the drafting of the related the Report Responsibilities were to:

- Provide moderate level assurance as per ISAE 3000 over the accuracy, reliability and objectivity of the information contained within the Integrated Report 2023;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained;
- Report our detailed conclusions and recommendations in an internal report to Tofaş A.Ş. management.

Methodology:

As part of our independent assurance, our work included:

1. Conducting employee interviews regarding the scope of work involved;
2. Process analysis of collecting and reporting the information included;
3. Review of documentary evidence produced by Tofaş A.Ş.
4. Recalculation of examples in accordance with the evidence documents used to prepare the information included
5. Remote Audit
6. Implementation of analytical procedures on the final reported data

The work is based on current best practices in independent assurance; It was conducted in accordance with Bureau Veritas Certification standard procedures and ISAE 3000 International Assurance Audits Standard requirements.

The work was planned and conducted to provide independent limited assurance.

Limited Assurance Conclusion

As a result of the evidence obtained, no contradiction has been detected that the Selected Information in the Company's 2023 Integrated Report for the year ended 31 December 2023 has not been prepared in all material respects in accordance with the Reporting Principles and Tables section.

This report has been prepared for the Company's Board of Directors to assist in the reporting of the Company's activities, including its outcome. We allow this report to be included in the 2023 Integrated Report for the year ended December 31, 2023, in order to enable the Board of Directors to demonstrate that it has fulfilled its responsibilities on the subject by having a limited independent assurance report on Selected Information prepared.

Statement of Independence, Impartiality and Competence

Bureau Veritas is an independent professional services company that specializes in quality, environmental, health, safety and social accountability with over 190 years history.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with Tofaş A.Ş., its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

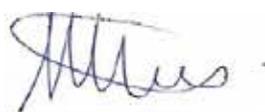
The assurance team has extensive experience in conducting assurance over waster, waste and energy, systems and processes, has many experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Limited Assurance.

BUREAU VERITAS CERTIFICATION

Gökhan Akın
Responsible Verifier



Ibrahim Tagay
Certification Manager



Sustainability Reporting Assurance Statement



TÜRK LOYDU

SERA GAZI DOĞRULAMA BEYANI GREENHOUSE GAS VERIFICATION STATEMENT

Belge No / Certificate No : 2024.0368.0070

TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.



GENEL MÜDÜRLÜK / HEAD OFFICE:
BÜYÜKDERE CAD. NO:145, TOFAŞ HAN, 34394,
ZİNCİRLİKUYU, İSTANBUL, TÜRKİYE

ÜRETİM TESİSİ / PRODUCTION FACILITY:
İSTANBUL CAD. NO:574, 16110, BURSA, TÜRKİYE

firmasında Türk Loydu tarafından
Türk Loydu hereby certifies that,

TS ISO 14064-1:2018

(Aynı zamanda düzenlenen bu belge ISO 14064-3'e uygun olarak süreç, izleme ve raporlama gerekliliklerinin sağlandığını gösterir)

(As well as criteria given to provide for consistent operations, monitoring and reporting in ISO 14064-3:2019)

standardına uygun olarak gerçekleştirilen doğrulama sonucunda
in consequence of the verification carried out in compliance with the standard

Toplam Sera Gazı Emisyonu : 6,013,196 tCO₂e
Total Greenhouse Gas Emission

Doğrudan Emisyonlar : 35,794 tCO₂e
Direct Emissions

Dolaylı Emisyonlar : 5,977,402 tCO₂e
Indirect Emissions

Güven Seviyesi : Sınırlı
Level of Assurance : Limited

yukarıda bildirilen Sera Gazı Bildirimi kapsamında doğrulanmıştır.
verified within the scope of above-mentioned Greenhouse Gas Assertion.

Doğrulama Periyodu / Verification Period : 01.01.2023-31.12.2023
Belgelendirme Tarihi / Date of Certification : 12.09.2024
Doğrulama Raporu Ref.No / Ref.No of Verification Report : 2024-0368-00

Sorumlu Müdür
Responsible Manager

Teknik Yönetici
Technical Manager

Legal Notice and Contacts

Tofaş Türk Otomobil Fabrikası A.Ş.

Head Office:

Büyükdere Caddesi No: 145 Tofaş Han
34394 Zincirlikuyu/İstanbul
T: +90 212 275 33 90
F: 90 212 275 39 88

Factory:

İstanbul Caddesi No: 574 16110 Bursa
T: +90 224 261 03 50
F: +90 224 255 09 47

For more information about the report and to share your opinions and suggestions please contact our Sustainability Officer.

sustainability@tofas.com.tr
T: +90 224 261 03 50

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