

2023

SUSTAINABILITY REPORT

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Chairman's Message

Dear Stakeholders,

The earthquakes centered in Kahramanmaraş on February 6, 2023, deeply shook our nation and left an indelible mark on all our hearts. We remember our citizens who lost their lives in this great tragedy with compassion, and we extend our condolences to their families and to the entire nation. As Koluman Automotive Industry, we believe in the power of solidarity during these challenging times and consider it our duty to contribute to the recovery efforts, a responsibility we will continue to uphold.

The year 2023 was marked by both the struggle against this immense sorrow and significant achievements in sustainability, innovation, and success. While making substantial progress on our transformation journey, we demonstrated strong resilience against global economic challenges and environmental uncertainties. This year, as we celebrated the centennial of our Republic, we deeply felt the responsibility of carrying our rich heritage into the future.

With over half a century of experience, we continue to operate in the fields of motor vehicles, construction and engineering, superstructure production, and military projects. At our modern production facility spanning 312,000 m² in Tarsus, we create value on a global scale and take pride in contributing to the Turkish economy through the export of our products. Within our holding structure, Koluman Automotive Industry, one of the fastest-growing group companies, climbed 164 places in the ISO 500 Research, ranking 254th. Additionally, in 2023, we achieved significant recognition in the Turkish Time R&D 250 research with our R&D investments, workforce, and patent successes. Our R&D Center, registered as Mersin's first in 2016, focuses on developing low-carbon, energy-efficient, and environmentally friendly

solutions, forming a cornerstone of our goals and strategies for a sustainable future.

This year, we are thrilled to present our first Sustainability Report. This report serves as a tangible reflection of our Environmental, Social, and Governance (ESG) responsibilities, enabling you to evaluate all our activities with greater transparency.

Guided by our values outlined in the Koluman Values Atlas—Trust and Respect, Passion and Dedication, Continuous Improvement, and Unity and Solidarity we view our employees as our most vital resource and prioritize the protection of human rights. As a testament to our commitment to people, Koluman Automotive Industry has been honored with the Kariyer.net Respect for People Award for two consecutive years.

We are committed to fostering a workplace built on trust, promoting an equitable culture, and supporting the professional development of our employees. In 2023, we received strong feedback with an 89% participation rate in our employee satisfaction and engagement surveys. Through our training initiatives, we continue to invest in the development of our employees, providing a safe, flexible, and inclusive working environment.

We extend our gratitude to all our stakeholders who have supported us throughout this journey. We firmly believe that our collective achievements will pave the way for even greater successes in the second century of our Republic.

Sincerely,

Selçuk Kaan SALTİK

With over half a century of experience, we continue to operate in the fields of motor vehicles, construction and engineering, superstructure production, and military projects.



General Manager's Message

Dear Stakeholders,

The earthquakes centered in Kahramanmaraş on February 6, 2023, deeply affected us all as a shared tragedy for our nation. We remember those who lost their lives with compassion and extend our heartfelt condolences to their families and loved ones. As a company based in the earthquake region, we have acted with the power of solidarity to mitigate the impacts of this great disaster and to help heal the wounds. Hand in hand with local communities, we have fulfilled and continue to fulfill our responsibilities.

The year 2023 also brought significant changes and challenges for the automotive industry and our company. Amid these challenges, we achieved remarkable successes, generating revenue of 4,2 billion TRY. In the 100th year of our Republic, we continue to grow, ranking 254th in the ISO 500 Research, reflecting our commitment to increasing our contribution to the country's industry and economy.

We strengthened our corporate risk management processes by aligning them with COSO ERM principles, addressing ESG risks comprehensively, and seizing strategic opportunities. Through the "Sustainability-Focused Risk and Opportunity Assessment Workshop," we took significant steps toward building a resilient structure for the future. With a risk-based thinking approach, we set short, medium, and long-term sustainability goals.

In the field of environmental sustainability, we invested approximately 6,7 million TRY. We reduced our carbon footprint by sourcing 100% of our electricity consumption from renewable energy. We established the "GreenTeam," a group dedicated to Green Deal compliance within our factory. By adopting circular economy business models, we reintegrated waste into the economy. Projects like "Turning Wooden Waste into Birdhouses"

and "Caretta Caretta Habitat Support" contributed significantly to the ecosystem while enhancing environmental awareness. Additionally, we provided environmental sustainability training to 924 employees.

At Koluman Automotive Industry, we prioritize equality and inclusivity, fostering a work environment that balances professional and personal life. We are committed to supporting the professional and personal development of our employees by offering career opportunities, training programs, and development activities that enable them to realize their potential. Through the Kaizen system, we implement employee suggestions, fostering a participatory culture.

In supply chain management, we strengthen our impact on the local economy by sourcing 87% of our procurement from domestic suppliers. We exceeded our 90% on-time delivery target in operational processes, achieving a 95% customer satisfaction rate while halving the customer complaint rate. In production processes, we ensure quality through Industry 4.0 applications and lean manufacturing techniques. Our digitalization projects enhance operational efficiency and our capacity to develop innovative solutions. Through an open innovation approach, we collaborate with universities and technology development zones to create value.

This year, we are proud to publish our first Sustainability Report, transparently presenting our sustainability strategy and sharing our roadmap for sustainability performance. With your support, collaboration, and trust, we are advancing together toward a more sustainable future.

Sincerely,
Cengiz Adak

"We reduced our carbon footprint by sourcing 100% of our electricity consumption from re-newable energy."



Message on the 100th Anniversary of the Republic



In the 100th year of our Republic, we are determinedly moving towards our sustainability goals with the inspiration we receive from our founding values. With our vision of protecting the environment, people and the future, we proudly continue our responsibility to leave a livable world for future generations. We are excited to share our first sustainability report covering this special year with you, and we are transforming the century-old heritage of our Republic for a sustainable future with our innovation and experience.

About the Report

With the aim of creating sustainable value for all our stakeholders, we are moving forward in line with our corporate vision that we have determinedly adopted since our establishment. With our wide service network in our fields of activity; we provide honest, reliable, transparent and high-quality service, and provide customer satisfaction beyond expectations with a solution-oriented approach.

With our qualified and motivated staff, innovative perspective and deep knowledge in the sector, we exhibit a strong and competitive structure in the sustainability journey. In this direction, we are very excited and proud to share our first Sustainability Report that reflects our strategy, goals and sustainability values.

Our report comprehensively reveals our environmental, social and governance (ESG) performance, while providing a clear perspective on our strategic approach to sustainability, our short-medium-long term goals and our contributions to the United Nations Sustainable Development Goals (SDGs). We have prepared this report in accordance with GRI standards and structured it in accordance with the principles of transparency, accountability and responsibility according to national and international sustainability reporting criteria. We also benefited from the guidance of the United Nations Global Compact (UNGC) and the Carbon Disclosure Project (CDP). Within this framework, we strengthened our commitment to corporate governance principles and strengthened our understanding of accountability to our stakeholders.

During our reporting process, we conducted a comprehensive prioritization analysis in which we received the opinions of our internal and external stakeholders. We directly took into account the opinions and expectations of our stakeholders and established our sustainability goals with the approval of the top management.

In addition, we attach importance to a risk-based perspective in our sustainability processes. For this reason, we have included a dynamic risk and opportunity assessment process at the core of our sustainability approach. In this way, we analyze the environmental and social impacts of our activities, foresee the risks

we may encounter and manage these risks effectively. In addition, we closely follow the strategic opportunities offered by the sustainability transformation and integrate them into our business model. In particular, opportunities emerging in areas such as climate change, resource efficiency and technological innovations also support our sustainability goals. This comprehensive perspective strengthens the trust-based relationships we have established with our stakeholders and enables us to create a more resilient and flexible structure in our sustainability journey.

Our report, shaped by these approaches, covers our activities in Türkiye between January 1 and December 31, 2023. You can review the outputs we obtained during this process, our entire report, and the details of our sustainability work at www.kolumanotomotiv.com/en/. We attach great importance to cooperation and feedback from our stakeholders for a sustainable future. Sharing your valuable opinions and suggestions about our report and sustainability activities with us will shed light on our future steps.

You can share your feedback, opinions and suggestions via sustainability@koluman.com.

ABOUT KOLUMAN AUTOMOTIVE INDUSTRY

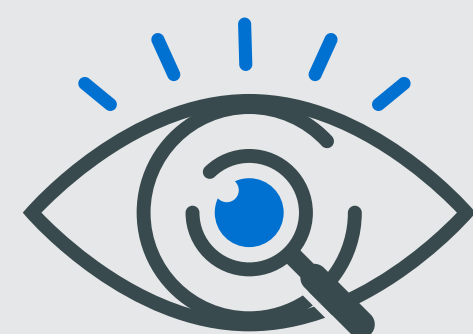
Half a Century-Old Journey

Koluman Holding, with its investments in different areas since 1965, today offers solutions suitable for all kinds of needs of its customers in the fields of motor vehicles, construction and engineering, superstructure production, marketing and foreign trade. Koluman is one of the main dealers of Mercedes-Benz Türk A.Ş. in Türkiye and provides sales and after-sales service of Mercedes brand vehicles as well as vehicle superstructure and assembly works. Operating in an 80,000 m² closed area in Tarsus district of Mersin as an approved Daimler superstructure manufacturer, Koluman Automotive Industry manufactures semi-trailers for the transportation and logistics sector, and superstructures for tactical wheeled vehicles to be used in the defense industry within the scope of civil and military projects.



Click here for the virtual tour

Koluman Holding, which has undertaken major projects since its establishment, will continue to proudly contribute to the progress of Turkish society and its investment in people.



OUR VISION

To be a company that is primarily preferred by qualified workforce and that trains future leaders and experts while advancing towards becoming a global value creator in the automotive sector.



OUR MISSION

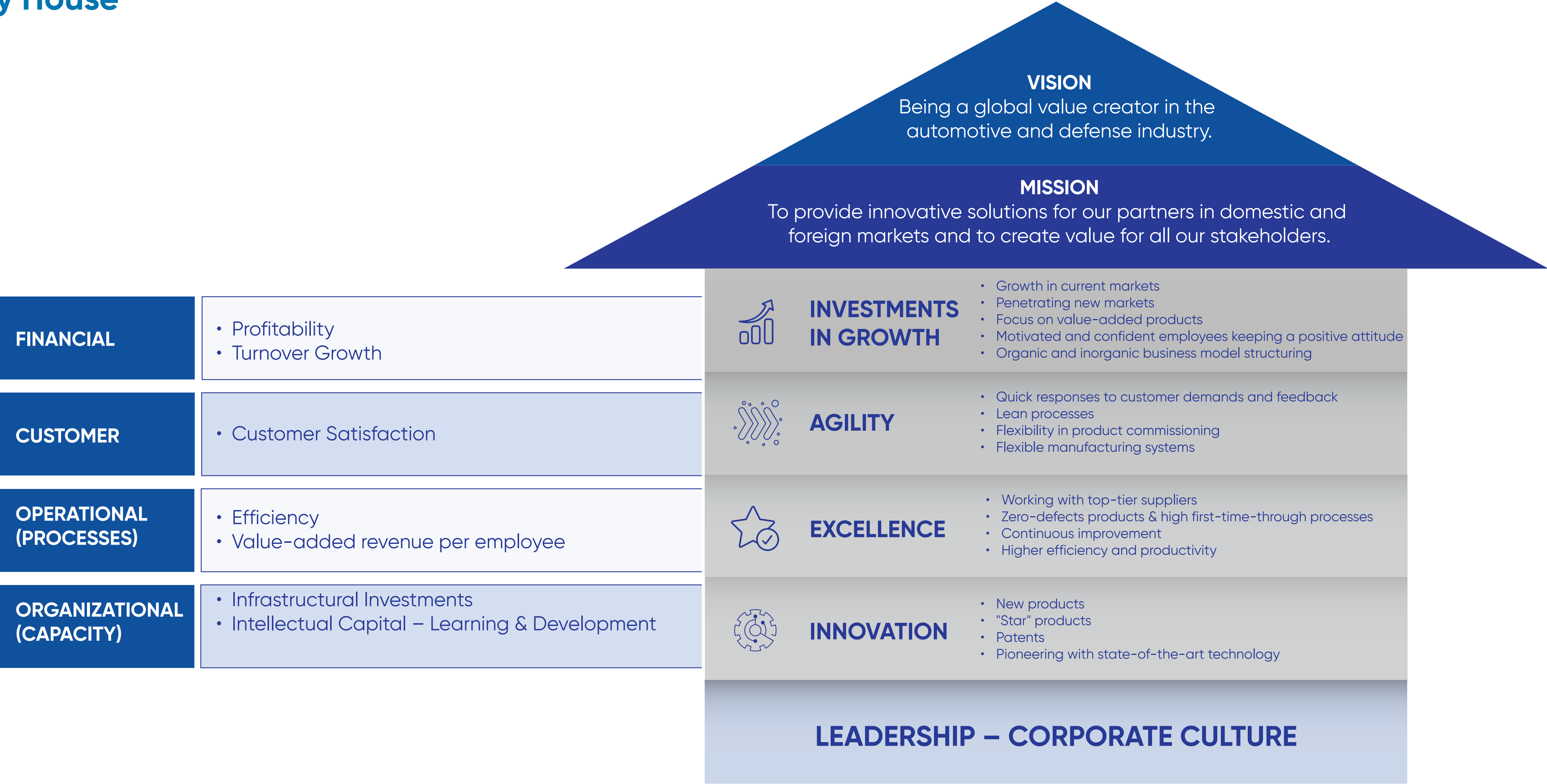
To be a strong, value-creating team with competent, motivated and happy employees in a fair working environment that contributes to the development of employees and rewards success.



GOALS

- To be a global player with the Koluman brand
- To ensure operational excellence
- To make the financial structure sustainable
- To strengthen the corporate infrastructure

Strategy House



Our Values

As Koluman Automotive Industry; we add value to all our stakeholders with values such as trust, respect, discipline, team spirit, transparency and responsibility, and we move forward with confident steps into the future.

Values Atlas

TRUST AND RESPECT

CORE COMPETENCIES

Decision-Making
Delegation
Empathy

MANAGERIAL COMPETENCIES

Accountability
Ethics and Professionalism

PASSION AND DEDICATION

CORE COMPETENCIES

Motivation
Sense of Responsibility
Determination to Succeed

MANAGERIAL COMPETENCIES

Leadership
Strategic Vision

UNITY AND SOLIDARITY

CORE COMPETENCIES

Teamwork
Collaboration
Effective Communication

MANAGERIAL COMPETENCIES

Team Management
Resource Management

CONTINUOUS DEVELOPMENT

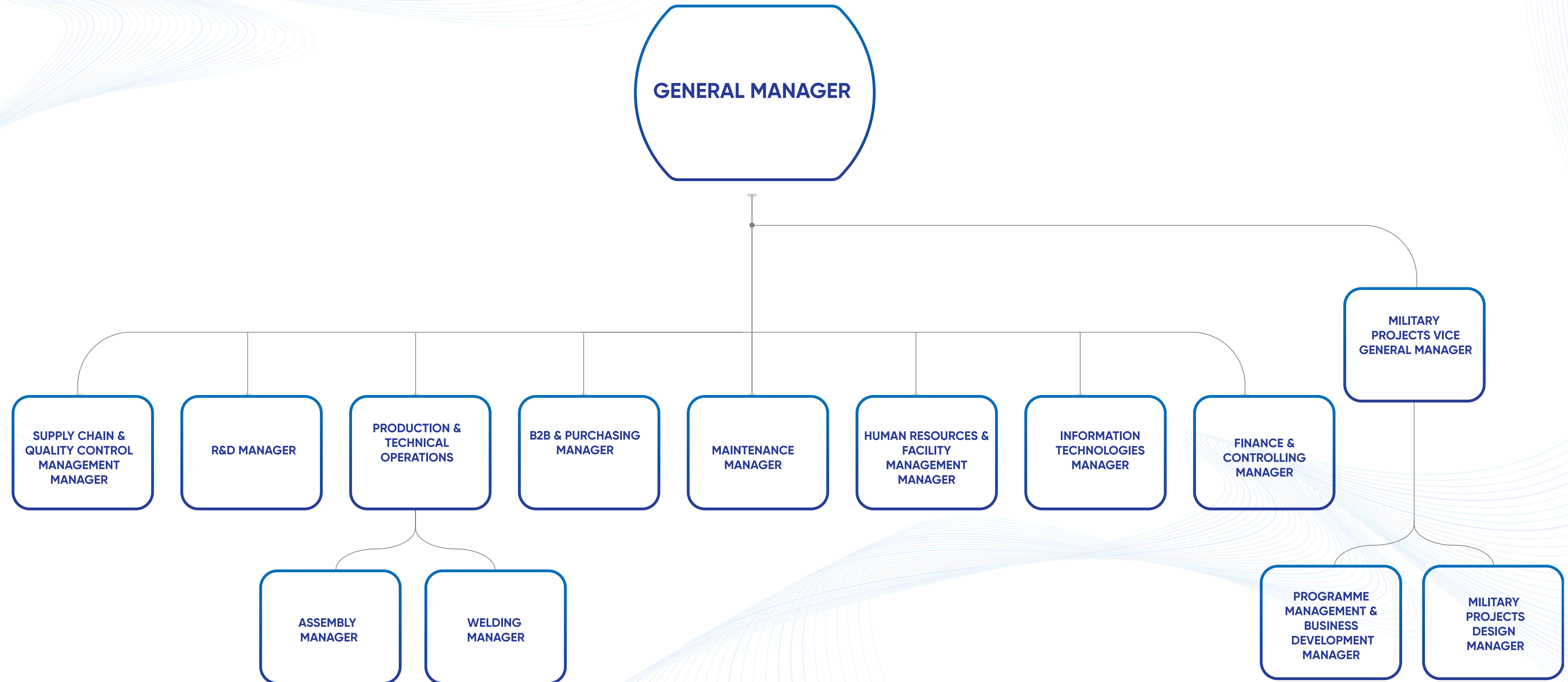
CORE COMPETENCIES

Learning and Growth
Agility
Planning

MANAGERIAL COMPETENCIES

Coaching and Mentorship
Networking

Koluman Automotive Industry Organization Chart



Milestones in Koluman History

1965

Mustafa Koluman and Partners Machinery and Steel Trade Limited Company was established.

1966

The company's title was changed to Koluman Steel-Machinery Trade Limited Company.

1975

Koluman Holding Inc. was established within the scope of the continuous growth target by investing in different business branches in the automotive sector.

1979

Koluman Construction and Engineering Inc. was established within Koluman Holding.

1982

The title of Koluman Steel-Machinery Trade Limited Company was changed to Koluman Motor Vehicles Trade and Industry Inc. (KMA).

1984

Became a partner and authorized dealer of Mercedes-Benz Türk Inc.

KMA opened its first branch in Tarsus as a Mercedes Benz authorized dealer.

1995

KMA Mersin Free Zone started its operations.

1997

KMA Tarsus Manufacturing and Assembly Branch was established to carry out vehicle superstructure manufacturing and assembly activities.

1998

KMA Istanbul branch started its operations.

Koluman Insurance Brokerage Services Inc. was established.

1999

Koluman Ankara branch started its operations.

Koluman Kögel Trailer Industry Inc., in which German Kögel company also participated with a 19% share, was established to deal with semi-trailer production and assembly.

2000

A license agreement was signed with Kögel for trailer production.

2001

A license agreement was signed with Rohr company for tanker production.

2005

KMA Tarsus Manufacturing and Assembly Branch was merged with KKTS under the commercial title KKTS.

2023

KolumanTech brand was created to gather technological and innovative work under one roof.

We became the first automotive company to receive accredited verification within the scope of carbon footprint.

2022

First CDP Reporting was made.

Switched to green energy use in electricity.

2021

Derman DROPS project contract was signed with SSB.

2019

Derman military vehicle prototype was developed.

2018

The new factory, whose construction was completed, was put into operation and the capacity was increased significantly.

A collaboration was established with Schmitz Cargobull.

2017

Koluman Automotive Germany GMBH was established.

2016

Mr. Mustafa Koluman passed away.

Koluman Automotive Industry (KOE) became the first R&D Center in the Mersin Region.

The first R&D Center in Mersin started operating within KOE.

2015

Koluman AG was established in Heiden, Switzerland, for the purchase and marketing of chemical know-how for the protection of metal surfaces from corrosion.

New investment and construction started with the decision to expand the factory.

2010

KKTS's commercial title was changed to Koluman Automotive Industry Inc. and the production and marketing of all products, primarily semi-trailers, under the Koluman brand name began.

2008

HAMA Car Rental and Environmental Services Inc. was established to conduct operational rental activities for trucks, semi-trailers and superstructures.

KKTS received the title of Daimler-approved superstructure manufacturer.

2006

Romanian companies KH Land Development SRL and Koluman Romania S.A. were established to invest in the automotive sector and open up to foreign markets.

The new KMA Gaziantep Branch facility, which houses Türkiye's first aluminum repair workshop and laser-controlled bus body correction bench, began operating.

A dealership and license agreement was signed with Jun-Jin, a South Korean concrete pump manufacturer.

OUR PRODUCTS

LOGISTICS PRODUCTS

Trailer



ADR-Certified Tanker



Flatbed Trailer



Container Chassis



CONSTRUCTION PRODUCTS

Concrete Pump



Dump Truck



OUR PRODUCTS

OTHER SUPERSTRUCTURE PRODUCTS

Road Sweeper



Snow Plow



Salt Spreader



DEFENSE INDUSTRY PRODUCTS



KOLUMAN IN NUMBERS



58

YEARS OF EXPERIENCE



15

STRONG PRODUCTS



45

EXPORTS



5

DEALERS



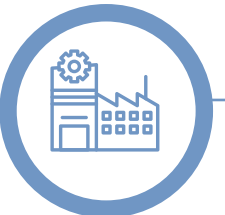
78

POINTS OF ROADSIDE
ASSISTANCE & SERVICE



800

SUPPLIERS



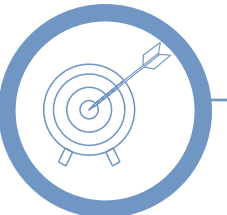
80

THOUSAND M² PRODUCTION
FACILITY



5500

UNITS OF PRODUCTION



2000

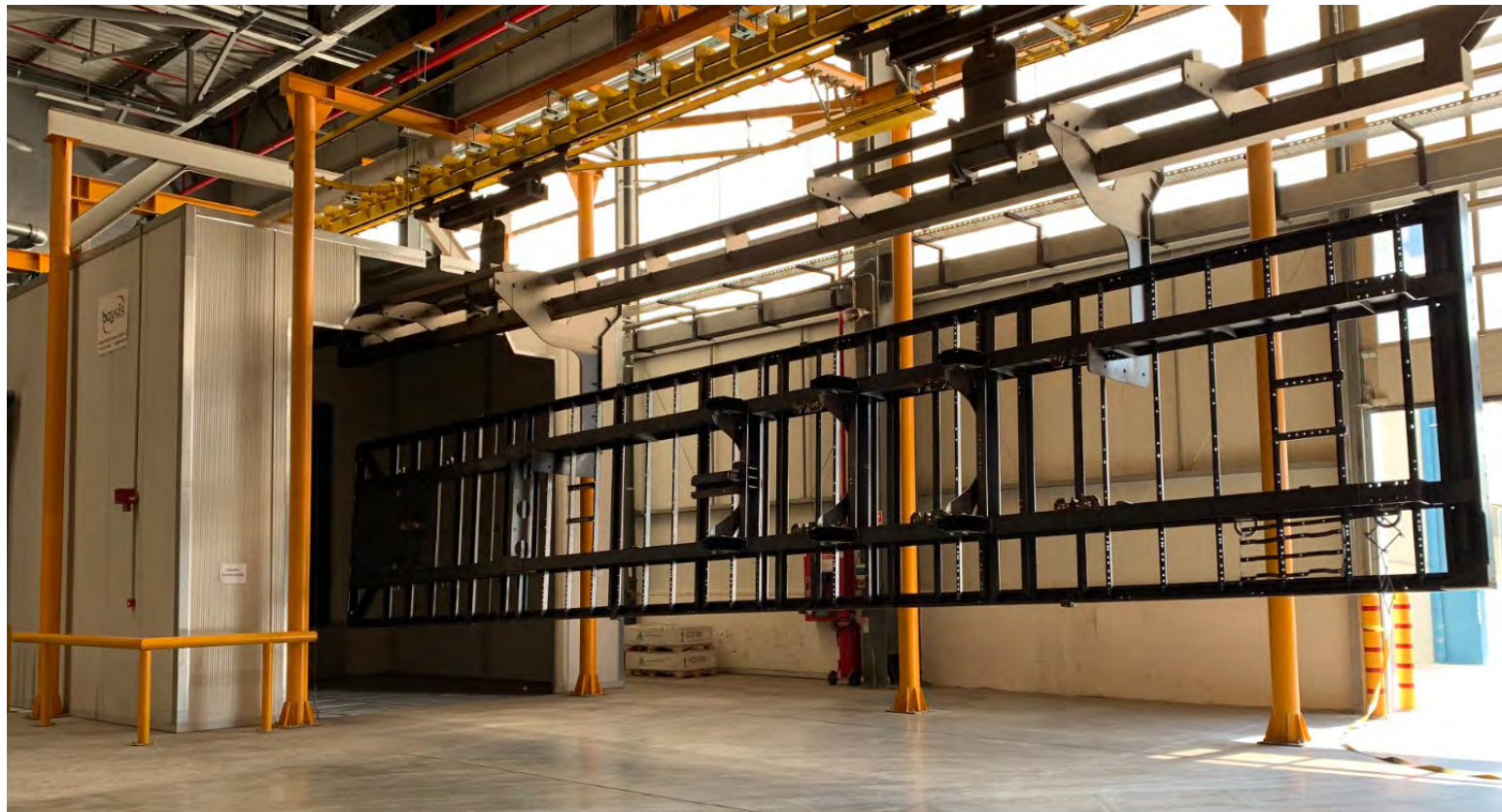
UNITS OF ANNUAL SALES

RESPONSIBLE GOVERNANCE AND TRANSPARENCY



RESPONSIBLE GOVERNANCE AND TRANSPARENCY

As Koluman Automotive Industry, we manage our business processes with a strong and sustainable management approach. We make decisions with our leadership vision and act with an openness, transparency and accountability approach in every step we take, from operational practices to operational practices. Our Board of Directors ensures that strategic decisions are made to achieve our sustainability goals. Responsible governance, which is at the core of our sustainability strategy, brings our business processes to a stronger and more flexible structure.



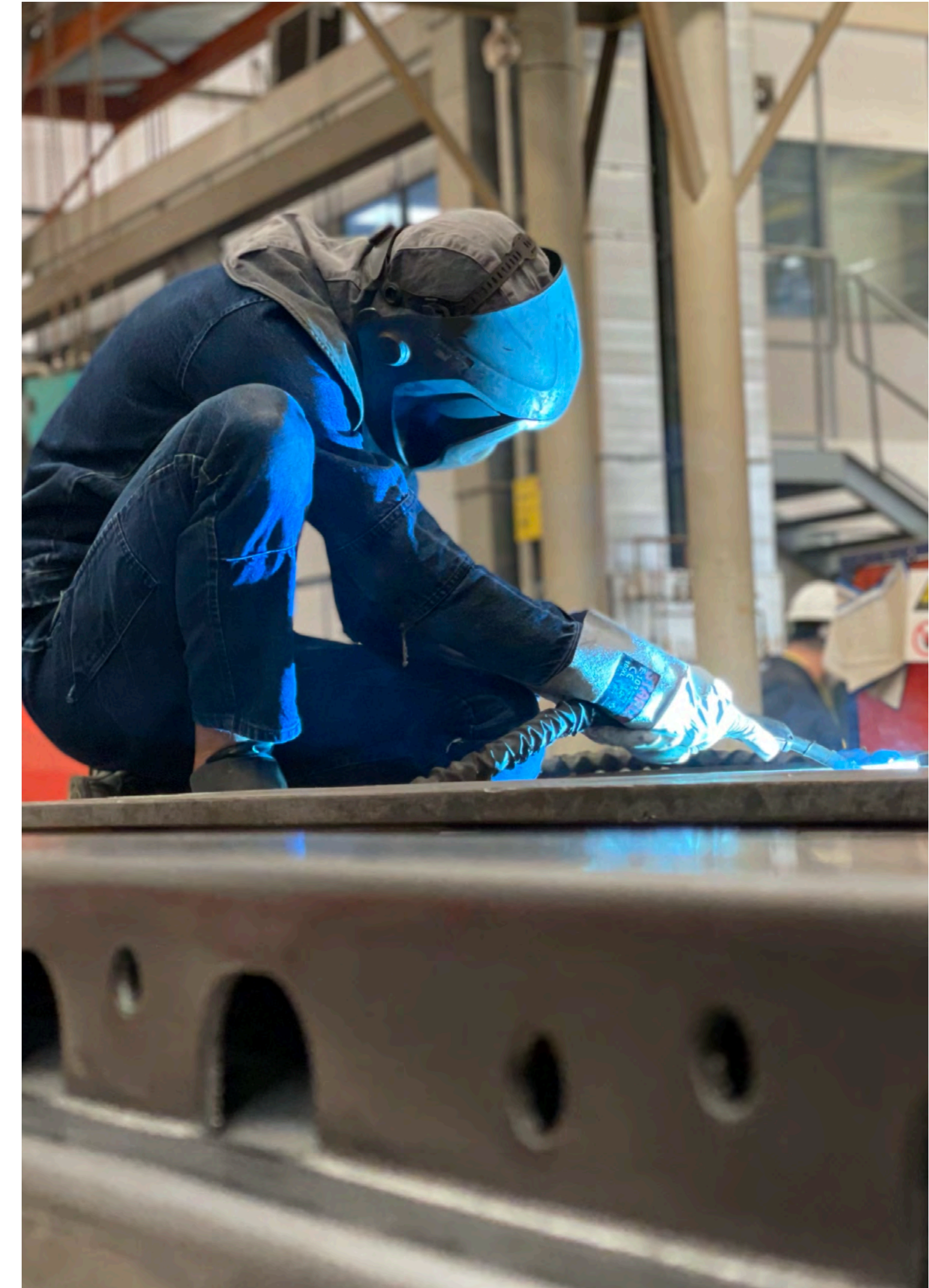
Within the framework of responsible management and transparency, we adopt a risk and opportunity-based governance model. In this model, we consider environmental, social and governance (ESG) criteria as an integral part of our risk management processes. While our ability to turn risks into opportunities is strengthened with our internal control mechanisms and audit processes, we take steps to continuously improve performance throughout the organization. Thus, decisions taken at every level serve our goal of creating short-medium and long-term value.

Through the sustainability report we publish, we present the progress we have made on important issues such as energy efficiency, carbon footprint and occupational safety with clear and understandable data.

Thanks to our feedback mechanisms, we integrate the views of our stakeholders into our strategies, thus building a value chain that provides continuous development. We reinforce mutual trust through the effective communication network and social dialogue framework we establish with our stakeholders. The reports we prepare based on global frameworks such as Türkiye Sustainability Reporting Standards (TSRS), GRI and CDP ensure that our performance is clearly evaluated by all our stakeholders. This comprehensive reporting process both supports our sustainability journey and makes it possible for us to be accessible and approachable for investors and business partners.

One of the most important elements shaping our corporate structure is our ethical values and responsible management culture. Our way of doing business is shaped by ethics, compliance and commitment to human rights in our entire stakeholder ecosystem, from our employees to our suppliers. With this strong stance, we create sustainable value at every stage of our business processes; we make tangible contributions to the environment and society.

As Koluman Automotive Industry, we support the success of our sustainability strategy with the strong and flexible governance model we implement in all our business processes. Within this management framework, the trust-based relationship we establish with our stakeholders also directs us to meet today's needs and achieve sustainable growth for the future. While focusing on creating value within the scope of ESG with our long-term strategic vision, we resolutely maintain our corporate responsibility and transparency approach.



Brand Reputation and Management

Our brand reputation is shaped by the products and services we offer, as well as the values we have. While acting with awareness of our responsibility towards society and the environment, we aim to create a reliable and solid brand perception. In this direction, we work to protect and strengthen our reputation at every stage of our operations and functions.

We care about establishing transparent communication with our customers, all our stakeholders and the society. We create a bond based on trust by openly sharing the values and goals behind the decisions we make. This transparency ensures that our brand loyalty is maintained even in times of crisis and transforms our reputation into a long-term guarantee.

Our reputation management approach is based on accurately reflecting our values, our commitments to society and our business culture. With this approach, we aim to create social benefit by further strengthening our brand identity. Therefore, we take into account social expectations and environmental impacts in every step we take. We care about being a reliable brand that respects human rights by adhering to ethical principles. This approach deepens the trust our customers and stakeholders have in us and enables our brand to be on a stronger footing.

In order to keep our brand reputation strong, we internalize these values and act together in a wide range of environments, from our employees to our stakeholders. We show the same care in every step we take to ensure consistency and clarity in our communication, and we establish a solid bond based on trust with our stakeholders.

In order to further strengthen our reputation, we center on an innovative and dynamic approach. While adapting to the changing world dynamics, we constantly review our strategies and address the expectations of our stakeholders. In this way, we continue to be a flexible and sensitive brand that responds to the needs of the future. The strong relationship we establish with each of our stakeholders creates synergy in line with common goals; by growing together, we increase the trust and prestige of our brand in the eyes of society.

Responsible Marketing

We prioritize a responsible approach in our marketing activities. We shape our communication using honest, transparent and open language to maintain the trust of our customers and meet their expectations. We create a responsible communication language by prioritizing the long-term interests of our customers and society. We aim to fulfill our commitments completely by choosing a realistic approach in the promotion of our products and services.

Our marketing approach that is sensitive to society and the environment positively affects our business results and creates a permanent impact on the reliability and reputation of our brand. In all our marketing activities, we act within the framework of ethical rules, observe social values and produce content accordingly. We also focus on understanding the needs of our customers and offering them sustainable solutions.

While supporting our products and services by offering sustainable alternatives, we contribute to our customers making conscious choices. Thanks to our responsible marketing approach, we are moving towards becoming a brand that adds value to society.



Ethics, Transparency and Compliance

At Koluman Automotive Industry, we manage our ethics, transparency and compliance activities by adhering to the Human Resources Procedure, Koluman Automotive Industry Values Atlas Booklet and Corporate Ethical Management Principles. We implement the relevant policies, procedures and principles throughout our entire value chain, including our employees, customers, suppliers, business partners, shareholders, competitors, public institutions and organizations and society. In addition, we shape our business processes within the framework of ethical rules with the Compliance Regulation, Embargo and Prohibition Risk Assessment Regulation, Koluman Holding Business Partner Standards, legal regulations and internal directives, and create a trust-oriented cooperation culture in our wide stakeholder network. We aim to continuously protect the trust of both our internal and external stakeholders with transparent communication and compliance mechanisms.

While acting within the framework of ethics, transparency and compliance in our value chain, we also maintain a common ethical understanding in all functions within the company. We ensure the effective implementation of the policies and procedures determined through internal audit and control processes. In this way, we reinforce our corporate ethical culture by guiding our employees at every stage from daily business processes to strategic decision-making mechanisms. We also include our employees in decision-making processes and ensure that all decisions to be made comply with the Corporate Ethical Management Principles.

With Corporate Ethical Management Principles, we also cover issues such as combating bribery and corruption, respecting employee and employee rights, competition, social media use and conflict of interest.

We have no legal non-compliance in the fight against bribery and corruption in 2023.

We conduct regular and comprehensive training programs to ensure that our ethical principles are adopted throughout the company and to increase the awareness of our employees on this issue. In addition to training, we also prioritize awareness activities in order to ensure that ethical values are integrated into our business processes.

In 2023, we conducted a total of 266 person*hours of ethics training within this scope.

To prevent ethical misconduct and maintain a transparent process, Koluman Automotive Industry utilizes the Whistleblowing Notification Line. Our employees and all stakeholders can directly report ethics and compliance-related issues through the Whistleblowing Notification Line section. Furthermore, you can also reach us directly for ethics and compliance matters via our dedicated email address at koeetik@koluman.com.

These notifications are sent to the Chairman of the Board of Directors, the Holding Internal Audit, Corporate Risk and Compliance Director and KOE's Ethics Compliance Officer simultaneously via e-mail, in a fast and effective manner.

We have not received any ethical violation notifications in 2023.

The presence of an Ethics and Compliance Officer in our company who reports directly to the Board of Directors is one of the most concrete indicators of the importance we attach to ethical management culture. This responsibility structure creates a strong bond between the Board of Directors, which is the company's highest decision-maker, and compliance processes, while also ensuring that our ethical values are embraced at the corporate level. In addition, the Ethics Committee operating within our organization plays a critical role in the detailed examination of reported issues and the meticulous taking of necessary actions.

As Koluman Automotive Industry, we regularly monitor ethics, transparency and compliance risks and conduct comprehensive assessment studies in these areas. Within the scope of these studies, we pay utmost attention to the issues of Combating Bribery and Corruption, International Sanctions, Prevention of Laundering Proceeds of Crime, Protection of Data Privacy, Competition and Human Rights.

Our compliance obligations do not only include mandatory regulations, but also include contracts made with third parties related to the work undertaken by the company, organizational standards such as policies and procedures, specifications or voluntary compliance commitments. With this systematic and multi-layered approach, we prevent ethical non-compliance. At the same time, we strengthen our transparency and accountability principles at every level. We carry

out internal audit activities within this framework. Within the scope of internal audit activities; we aim to monitor the compliance activities carried out, identify compliance risks that may affect the company and provide reasonable assurance in taking the necessary measures, supervise the compliance principles and principles to be applied in the Holding and its subsidiaries, and report the functioning and effectiveness of compliance activities in the Holding and its subsidiaries to the Board of Directors.

Compliance with Corporate Governance Principles

Our Board of Directors takes a visionary approach while determining the strategic direction of our company and is at the center of decision-making processes. All our strategies are shaped in line with the comprehensive analyses and predictions of the Board of Directors. In this process, a balanced management approach is adopted by taking into account sustainability targets as well as financial performance.

Our Board of Directors aims to create long-term value while ensuring that we adapt to changing market dynamics and establish an agile structure

Our corporate governance perspective ensures that risks are managed correctly and opportunities are evaluated in the most effective way while achieving our strategic goals. Our Board of Directors undertakes a critical leadership role in this process and comprehensively addresses risk and opportunity analyses.

As Koluman Automotive Industry, while identifying the risks our company faces, we create a strong defense mechanism against potential threats. We carry out all our evaluations within a holistic framework that goes beyond financial performance and also takes into account environmental and social impacts, and based on the life cycle approach. Thanks to our proactive and integrated risk management approach, we minimize potential risks at every stage of our operations. In this context, we plan our preventive strategies and control mechanisms in line with our sustainability goals.

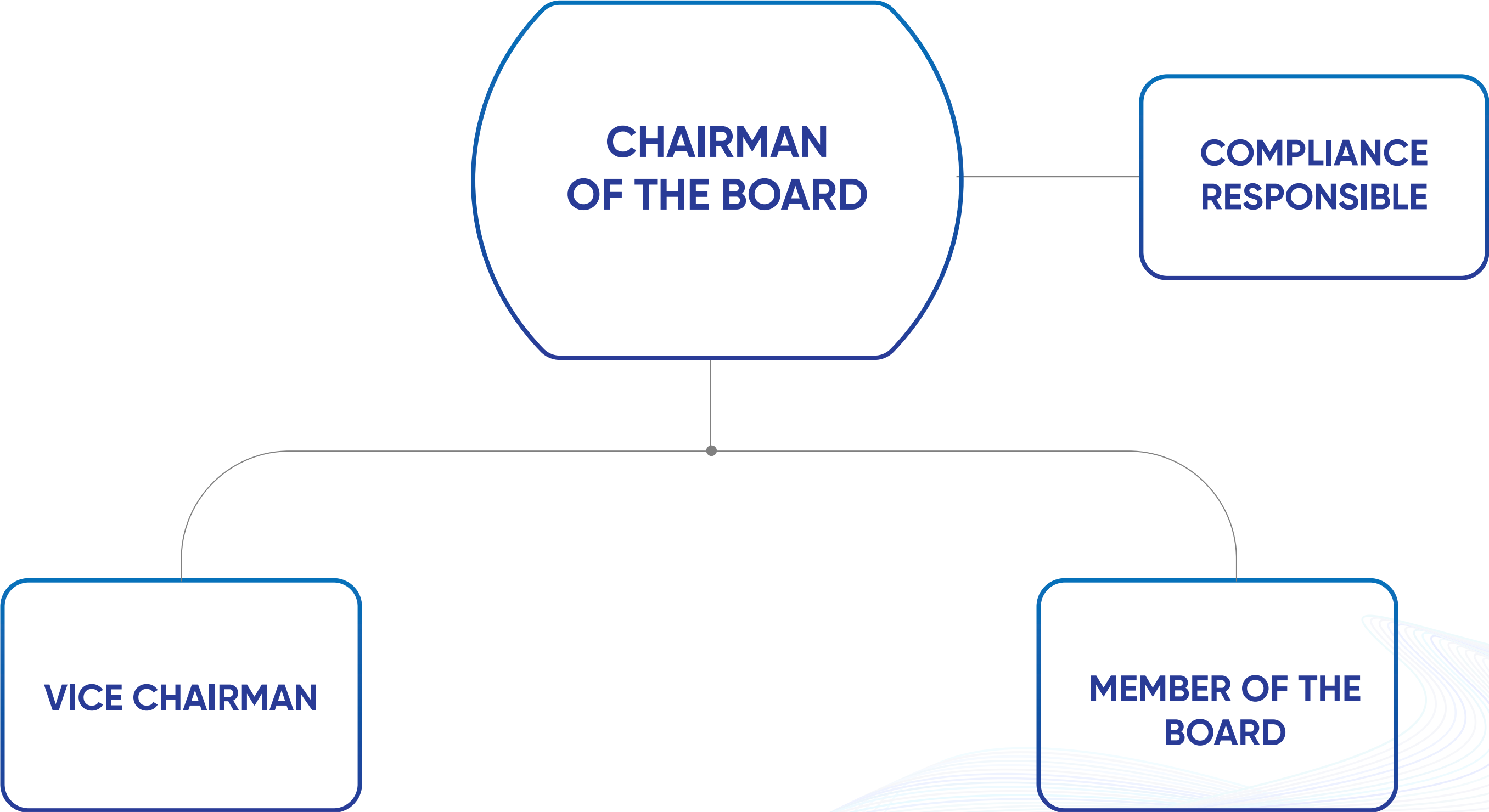
At the same time, we continuously provide the necessary infrastructure for opportunities to be caught on time and quickly evaluated in order to create sustainable value.

Opportunity management is a critical process of our corporate governance principles. Strategic steps such as opening up to new markets, investing in innovative projects and developing sustainable solutions are planned under the guidance of our Board of Directors. If we consider short, medium and long-term goals in a balanced way during this process, steps are taken that will increase future competitive power. The strategic perspective of our Board of Directors provides agility to our business processes and supports our sustainability vision.

We support our corporate governance processes with a dynamic risk and opportunity assessment mechanism. Under the effective supervision of our Board of Directors, we continuously improve and update our internal audit and control systems.

Our company's strategic decisions are taken with the leadership and active participation of the Board of Directors. With this approach, we provide a strong governance structure in risk management and opportunity assessment processes while supporting operational excellence.

Board Structure



Risk and Opportunity Management



At the beginning of 2023, we put into effect the Corporate Risk Management Regulation prepared on the basis of COSO ERM (Corporate Risk Management) principles.

As Koluman Automotive Industry, we adopt a holistic approach that structures risk management in line with our company's strategic goals and evaluates opportunities. The Internal Audit, Corporate Risk and Compliance Directorate, which operates under our Board of Directors, is the highest unit where risk management is carried out throughout the Holding. A systematic structure has been established by working in coordination with all company units regarding the identification, management and integration of risks into processes.

We adopt a participatory perspective in risk management and manage processes with a holistic approach. First of all, we define targets and risks at the Holding, company, department and unit levels. Then, we determine the control activities for these risks. The risk management team within the Holding carries out audit studies at regular intervals to evaluate the effectiveness and efficiency of risk management processes.

Within the scope of this regulation, we started to carry out risk management processes through a risk management software integrated into our systems.

With the commissioning of the software, we measured and documented our risks at the Holding, company, department and unit levels and started to monitor them systematically by recording them.

Koluman Holding Corporate Risk Regulation defines risk management as a holistic process that requires the participation of employees at all levels. This approach is based on the understanding that risk management should not be a separate responsibility from the employee's job description, but that risk factors should be continuously evaluated during the execution of these duties. In this context, we adopt a participatory strategy in risk management. For this purpose, we regularly conduct in-company trainings to increase the awareness and competencies of employees.

Within the scope of risk management, the steps of analyzing the internal environment, defining all business processes and creating RCM (Risk Control Matrix) matrices are followed. This process is followed by determining targets and defining the events to be considered as risks.

The identified risks are measured according to the impact and probability criteria, and in line with these measurements, the company's risk appetite is taken into account and appropriate risk responses and control types are determined. All these steps are carried out in close communication with the process owners and are monitored periodically. In addition, risks are re-evaluated within the framework of the audit plans prepared by the audit units every year, and risk maps are updated to ensure that the

processes remain up-to-date and effective.

In the strategy studies we carry out with our Board of Directors and senior management, we address risks and opportunities in detail and create short, medium and long-term alternative action plans. These studies serve our goals of increasing our sustainable growth and competitiveness.

Our vision is shaped on being a company that creates value on a global scale. In this direction, we carefully evaluate risks and opportunities, and follow climate change and environmental risks not only locally but also globally. We determine our target markets in line with this strategy. We take into account the IPCC's RCP scenarios in climate scenarios and analyze the reports prepared by the General Directorate of Meteorology in Türkiye.

We are aware of the importance of climate change and related environmental risks for the automotive sector. In this context, we closely monitor practices such as the Green Deal and the EU Border Carbon Adjustment and aim to be a carbon neutral company in order to maintain our competitiveness in these markets.

We also evaluate our processes in terms of fraud risks. We carry out 100% of the ethical and corruption risk assessments in all our processes and conduct detailed analyses. The main fraud risks that stand out include the use of company assets for personal purposes and the leaking of trade secrets. We take strong measures against these risks and continuously improve our processes.

In our company, we effectively carry out ERM (Corporate Risk Management) processes through Teammate GRC software.



Sustainability-Related Risk and Opportunity Management

As Koluman Automotive Industry, in addition to our legal regulation and compliance risks, we also comprehensively address sustainability-related environmental, social and governance (ESG) risks.

We evaluate these risks within the framework of an integrated risk management approach and conduct our processes in compliance with the methods and systems we apply in strategic risk management. Thus, we integrate our risk management activities with our strategic goals by establishing a standardized and effective structure.

The Board of Directors regularly reviews analyses and recommendations in order to ensure that risks are managed effectively and to evaluate the opportunities that may arise from these risks. The active participation of the Board of Directors in these processes provides strategic depth to our corporate risk management and allows us to foresee the long-term effects of risks. This approach is not limited to managing current risks alone, but also offers the opportunity to discover future opportunities and

integrate them into our corporate value creation strategy.

In addition, we include our entire value chain in our risk management activities from a life cycle perspective. In this context, we include all our stakeholders, from suppliers to customers, as part of the process, and develop proactive solutions by analyzing risk factors at each stage. In addition to ESG risks, we also evaluate the effects of financial and operational risks; with the management of these risks, we aim to ensure business continuity, innovation and competitive advantage.

Sustainability Risks and Opportunities

In light of global developments, the World Economic Forum's 2023 Global Risk Report highlighted issues such as failure to adapt to climate change, natural disasters, biodiversity loss, large-scale migration crises, cyber attacks, economic turbulence, disruption of social cohesion, delays in energy transition, critical resource scarcity and global health risks. These risks revealed that Koluman Automotive Industry needs to develop proactive solutions not only in our business processes but also throughout our value chain. When we consider the top 10 risks highlighted in the Report, we determined that we need to further expand the scope of our risk management strategies.



In this context, we held the Sustainability-Oriented Risk and Opportunity Assessment Workshop.

In the workshop held with the participation of the Sustainability Team, the Green Team, and the Integrated Management Systems Team, we proactively addressed Koluman Automotive Industry's environmental, social, and governance (ESG) risks. We defined our sustainability-based

action steps and the outputs we will achieve with these actions in line with our short, medium and long-term goals.

In this context, the main focal points of the workshop were to adopt a participatory approach in risk management processes, shape sustainability goals with common sense, and take strategic steps to improve the institution's risk management capacity. With the outputs, we also supported the steps taken to create a more resilient institutional structure against possible future risks.

In the context of sustainability, we use both quantitative and qualitative assessment methods together in the management of strategic risks. We systematically address risks and support them with quantitative data analysis, while also providing a broader perspective by making detailed assessments in light of global developments. In this context, we primarily evaluate risks within the framework of Enterprise Risk Management (ERM), classify their possible impacts and probabilities of occurrence with detailed analyses. In addition, we develop a more in-depth understanding of the challenges we face by conducting additional qualitative analyses on sustainability risks and opportunities. In this way, we aim to both increase our institutional resilience and create sustainable value by integrating future opportunities with our strategic goals.

ENVIRONMENTAL RISKS

Risk	Risk Effect	Definition of Opportunity Obtained/To be Obtained
Geopolitical Risks	<ul style="list-style-type: none">• Supply chain disruptions, production disruptions and cost increases• Decrease in operational efficiency• Loss of market due to trade embargoes, political tensions and sanctions• Decrease in competitive advantage in the global market and difficulty in accessing new markets.• Difficulty in accessing energy resources and fluctuations in energy costs• Decrease in customer and investor confidence and increased uncertainty in the business world• Difficulty in obtaining financing for long-term projects	<ul style="list-style-type: none">• Build more resilient and diversified supply chains• Ensure a sustainable structure by increasing the organization's resilience to crises• Develop new business opportunities through local markets and regional partnerships• Increase investor confidence by strengthening geopolitical risk management strategies• Ensure energy independence by turning to alternative energy sources• Compliance with low-carbon strategies and predictability in energy costs
Extreme Weather Events	<ul style="list-style-type: none">• Drought and inadequate water resources• Production halts or disruptions• Increase in material and labor costs• Customer dissatisfaction• Interruptions in the supply chain, logistics delays and raw material supply problems• Negative effects on human health, well-being and productivity• Negative effects of air pollution on employee health• Deterioration in product quality and increased rework• Increase in energy, labor, raw material consumption and increased costs	<ul style="list-style-type: none">• Creating diversified and flexible supply chains• Investing in climate-resistant products and services, developing durable materials and solutions suitable for extreme weather conditions and responding to market demand• Focusing on vehicle types with increasing demand; increasing demand for snowplows, accessing new markets and customer portfolios in the need for reconstruction after infrastructure disruptions such as floods• Investing in energy and water-saving technologies• Opportunity to strengthen the company's perception of sustainability with projects and products that provide solutions for extreme weather events
Raw Material Supply	<ul style="list-style-type: none">• Decrease in production quantities, inability to meet customer demand• Inability to deliver orders on time, causing customer dissatisfaction• Disruptions in cash flow, making financial management difficult• Disruptions in production, decreasing operational efficiency• Late delivery to customers, causing loss of reputation• Need for overtime to meet production, increasing labor costs	<ul style="list-style-type: none">• Creating diversified supply chains, reducing supply risk• Providing cost and logistics advantages by selecting local suppliers• Providing a more durable structure through supply chain diversification
Energy Management System effectiveness	<ul style="list-style-type: none">• Increased costs, decreased operational profitability• Increased energy costs, increased product costs• Decreased productivity• Decreased resource-use efficiency	<ul style="list-style-type: none">• Transition to renewable energy• Reducing energy costs• Reducing carbon emissions by transitioning to renewable energy• Creating activities to increase energy efficiency awareness

ENVIRONMENTAL RISKS

Risk	Risk Effect	Definition of Opportunity Obtained/To be Obtained
Waste Management	<ul style="list-style-type: none">Disruption of waste managementExcessive cost, increased financial burdenCausing environmental pollutionLoss of reputationInsufficiency in completing the product life cycleNegatively affecting customer satisfaction	<ul style="list-style-type: none">Conducting waste reduction studiesProviding cost savingsUtilizing recyclingObtaining incomeIncreasing environmental awareness with waste managementStrengthening corporate reputationWorking with alternative waste companies and maintaining a business continuity approach in waste management
Greenhouse Gas Emissions	<ul style="list-style-type: none">Carbon tax and financial burdenRisk of penal sanctionsLoss of reputationNegative impact on product salesLoss of customersFalling behind rival companies in carbon reduction, decreasing competitiveness	<ul style="list-style-type: none">Ensuring accurate reporting with digitalization, improving carbon footprint managementGaining prestige with carbon managementIncreasing brand value and reputationProviding the advantage of being preferred in new markets with low carbon strategiesObtaining verification service
Criminal Sanctions for Environmental Management	<ul style="list-style-type: none">Increased costs, creating financial burdensLoss of reputation and damage to brand perceptionNegative impact on company financesDecreased investor and customer confidence	<ul style="list-style-type: none">Continuing environmental processes in accordance with the rules, reducing legal risksFull compliance with international and national legislation
Organization Based on Climate Crisis and Climate Change	<ul style="list-style-type: none">Failure to ensure business continuity in production and reduced operational sustainabilityIncrease in product carbon footprintCreation of an environmentally unfriendly imageDamage to company reputation, negatively affecting customer loyaltyReduction in competitive advantageFailure to comply with future legal regulationsExposure to penal sanctions	<ul style="list-style-type: none">Creating new business opportunities with climate-friendly products and services, gaining competitive advantage in the marketStanding out in new markets and customer preferences, being preferredPerceiving the institution as environmentally responsible by investors and customersProviding exemption from climate-related taxation, gaining cost advantage

SOCIAL RISKS

Risk	Risk Effect	Definiton of Opportunity Obtanited/to be Obtained
Customer Satisfaction and Brand Reputation	<ul style="list-style-type: none">• Damage to brand reputation and decrease in customer satisfaction rate,• Decrease in sales and loss of income,• Rapid spread of negative perceptions on social media and media channels,• Increase in customer complaints• News that will damage customer satisfaction and brand reputation	<ul style="list-style-type: none">• Regaining brand trust in line with transparency, responsibility and accountability principles• Building trust by responding quickly to customer feedback• Strengthening satisfaction in customer relations
Combat Against Corruption and Bribery	<ul style="list-style-type: none">• Loss of reputation, penal sanctions and legal processes• Loss of customers, loss of trust of business partners, negative perception in the media and public opinion• Experiencing financial losses and difficulties in accessing financing	<ul style="list-style-type: none">• Creating a strong corporate culture in line with ethical values• Preparing the ground for sustainable relationships by restoring trust based on transparency and honesty• Raising awareness through ethical rules training for employees
Technological Adaptation and Digitalization Capability	<ul style="list-style-type: none">• Failure to keep up with the times, falling behind the times• Loss of customers and markets, falling behind sectoral advancements,• Failure to ensure data security• Inefficient work environments, decrease in employee productivity and loyalty• Difficulty in attracting talent, failure to retain the right talent within the organization• Failure to ensure technological adaptation, low digitalization capability	<ul style="list-style-type: none">• Optimizing processes and responding to various needs by participating in digital transformation programs• Improving workflows with new technology investments• Opportunity to open up to new markets by gaining agility through digitalization• Acceleration of sustainability efforts
Social Responsibility	<ul style="list-style-type: none">• Loss of prestige• Social backlash and loss of image• Falling behind the sector, inability to make local collaborations• Decrease in customer loyalty• Difficulties in accessing financing• Loss of local workforce within the organization• Decrease in employee loyalty	<ul style="list-style-type: none">• Gaining prestige with community-focused projects• Benefiting from funds and loans through social responsibility projects• Creating a positive brand perception in the eyes of society
Culture of Sustainability	<ul style="list-style-type: none">• Lack of compliance in the organization• Loss of brand reputation• Failure to achieve sustainability goals• Reduction in competitiveness	<ul style="list-style-type: none">• Integrating sustainability into all departments by raising awareness through sustainability trainings• Increasing operational efficiency through environmental performance improvements• Gaining competitive advantage• Providing ease of access to financing• Meeting investor and customer expectations

SOCIAL RISKS

Risk	Risk Effect	Definiton of Opportunity Obtanited/to be Obtained
Local Community	<ul style="list-style-type: none">• Loss of employees• Loss of customers• Damage to brand image and reputation• Reduction in product demand• Financial losses and loss of market• Lack of local workforce/Loss of local workforce	<ul style="list-style-type: none">• Increasing customer and community satisfaction with social projects that address local needs• Gaining trust in regional markets and strengthening customer loyalty• Building a positive corporate image• Developing new products and increasing innovation
Work Force	<ul style="list-style-type: none">• Delays in delivery time• Customer dissatisfaction• Team integrity is disrupted• Loss of corporate know-how and memory• Failure to retain talent and decrease in creativity and innovation activities• Failure to meet investor expectations	<ul style="list-style-type: none">• Diversify the talent pool by bringing in new employees• Attracting young talent to the organization• Increasing the organization's innovation capacity• Increasing employee loyalty and motivation
Risks Towards the Protection of Employee Rights	<ul style="list-style-type: none">• Decrease in employee motivation and productivity• Loss of reputation• Decrease in employee loyalty• High employee turnover rate• Social backlash• Difficulty in accessing finances• Punishment, financial losses	<ul style="list-style-type: none">• Creating an environment of corporate trust with comprehensive policies for employee rights• Increasing employee loyalty with employee satisfaction programs• Strengthening the employer brand image• Achieving competitive advantage with social sustainability efforts
Training and Development	<ul style="list-style-type: none">• Inability to produce effectively and efficiently• Loss of workforce and motivation• Inability to open up to new markets• Inability to meet customer needs• Decrease in employee loyalty• Inability to attract new talents to the organization, inability of existing talents to hold on to the organization• Decrease in competitive power in innovation and creativity	<ul style="list-style-type: none">• Increasing motivation by offering development opportunities to employees• Developing innovative projects with new competencies• Being prepared for the future by strengthening corporate talent management

SOCIAL RISKS

Risk	Risk Effect	Definiton of Opportunity Obtanited/to be Obtained
New Competencies	<ul style="list-style-type: none">• Failure to provide quality and timely production• Loss of workforce and motivation• Failure to open up to new markets• Failure to keep up with the expectations of the era, customers and investors• Weakening of innovation muscles, becoming an institution closed to innovation	<ul style="list-style-type: none">• Producing innovative solutions by providing new competencies• Supporting employee loyalty and development• Providing competitive advantage in business processes
Working Conditions	<ul style="list-style-type: none">• Occurrence or increase in work accidents• Criminal sanctions• Loss of employees and customers• Increased costs and financial losses• Inability to attract new talents to the organization• Loss of reputation	<ul style="list-style-type: none">• Raising occupational health and safety standards to ensure employee satisfaction• Creating a safe working environment for everyone• Gaining brand reliability• Increasing employer brand value with a safe working environment

GOVERNANCE RISKS

Risk	Risk Effect	Definition of Opportunity Obtained/to be Obtained
Internal and External Market	<ul style="list-style-type: none">Decreasing sales due to shrinkage in domestic marketLoss of customersNegative impact on financial statementsDecrease in turnoverFluctuations in market demands, decrease in demandsExcessive employment, inefficiency and decrease in employee motivationIncreased need for stocking of products due to decrease in demand, increase in stock costs	<ul style="list-style-type: none">Opening up to foreign markets and accessing new marketsBeing preferred by expanding the product rangeGrowth potential by incorporating SMEsStrengthening the agile structure of the company and addressing different customer segments
Data Management	<ul style="list-style-type: none">Legal issues and penal sanctionsLoss of reputation, damage to customer trustNon-compliance with KVKK, increased risk of cyber attacksUnauthorized use of company informationLoss of competitive advantage, loss of know-howFinancial lossesData loss or leak	<ul style="list-style-type: none">Strengthening the security infrastructure and establishing advanced cybersecurity systemsRaising awareness by providing training to employees on data protectionBuilding long-term trust in the company with a strong data management strategy
Economic Conjuncture	<ul style="list-style-type: none">Increase in product prices and decrease in salesDecrease in profitability, failure to meet customer demandsLonger return on investmentNeed for radical changes in the current product rangeDecrease in employee satisfaction and motivation	<ul style="list-style-type: none">Opportunity to diversify financial resources by focusing on niche products and different segmentsGaining competitive advantage by reviewing pricing strategiesGlobal expansion by focusing on new market research
Risks to Access Capital	<ul style="list-style-type: none">Failure to make necessary payments, cash flow problemsDisruption of company peace, decrease in employee motivationLoss of customers and prestigeWeakening of competitive power and disruption of growth projectsFailure to retain talents, failure to bring new talents to the organization	<ul style="list-style-type: none">Creating alternative financing sources with fund and grant programsDeveloping financial discipline for effective management of existing budgetsEvaluating credit opportunitiesDeveloping collaborations to reduce capital costs

GOVERNANCE RISKS

Risk	Risk Effect	Definition of Opportunity Obtained/to be Obtained
Sustainability Goals and Progress	<ul style="list-style-type: none">Decrease in work efficiency due to person-dependent work processesAdoption of a management approach that is far from sustainabilityFailure to achieve sustainability goals and loss of reputationDecrease in investment efficiency and cost increasesDifficulty in accessing financing, inability of the institution to benefit from loans and various fundsLoss of reputation, decrease in competitive advantage	<ul style="list-style-type: none">Integrate departments to achieve company sustainability goalsProvide long-term financial advantage by adopting sustainable business modelsCreate new investment opportunities by attracting ESG (environmental, social and governance) investors
Crisis Management and Natural Disaster Management	<ul style="list-style-type: none">Loss of timeStop in production, disruptions in business processesLoss of trust in investors, customers and employeesFailure to ensure company continuity during a crisisFailure to meet investor, customer and employee expectationsFinancial lossesLack of a crisis management plan/publicDamage to Product and FacilityHigh costs for post-disaster repair, reconstruction or compensation of damageAdditional investments to be made to put damaged infrastructure or facilities back into operationFailure to Manage Crises in Disaster SituationsFailure to Ensure Company Continuity in Crisis, Production stoppage and logistics disruptions, jeopardizing the operational continuity of the company	<ul style="list-style-type: none">Preparation for all kinds of emergencies by preparing a comprehensive crisis management plaIncrease internal resilience by providing crisis management training to employeesEffective crisis communication that strengthens the company imageCreate a comprehensive crisis management plan for disaster situations
Inability to Provide Internal Control and Outdated Procedures	<ul style="list-style-type: none">Failure to provide internal controlProcedures not being up to dateFailure to manage processes effectively, loss of production, time and laborCustomer dissatisfactionDecrease in product qualityExternal audit problems occur	<ul style="list-style-type: none">Keeping company procedures constantly up-to-date with digitalizationReducing error rates with technological solutions in internal control processesImproving customer satisfaction by increasing operational efficiency
After Sales Services and Spare Parts Activities	<ul style="list-style-type: none">Loss of customers, decrease in customer satisfaction due to disruption in after-sales services and spare parts activitiesIncrease in warranty expenses and sales lossesLoss of corporate reliability, damage to reputation and image	<ul style="list-style-type: none">Increasing service speed and customer satisfaction by digitizing after-sales processesProviding efficiency in spare parts management with supply chain optimizationStrengthening brand loyalty with support services that add value to the customer

Compliance with National and International Standards/Legislation

As Koluman Automotive Industry, we integrate sustainability and quality principles into all our processes as we progress towards becoming a global value creator and brand in the automotive and defense industry. With our Integrated Management Systems Policy; we fully comply with international standards and legal requirements in the fields of quality, environment, occupational health and safety, information security and energy efficiency, and within this scope, we act with a “zero error” understanding and risk-based thinking.









We make a difference in the sector by bringing innovative solutions through our certificates. In all our activities, we aim to meet the needs and expectations of our customers at the highest level, gain their trust and continuously increase their satisfaction. In this direction, we constantly improve our quality standards, provide quality on-site in our processes and keep employee awareness at the highest level.

We encourage the participation of our employees and value their ideas in the effective implementation of management systems. In this context, we support the active participation of our employees in the processes, take their suggestions into consideration and thus enable continuous improvement. This cooperation facilitates compliance processes with national and international standards and legislation by continuously increasing our quality performance.

In addition, environmental sustainability and energy efficiency are also important issues we consider within the scope of compliance. In order to increase energy performance and reduce natural resource consumption, we implement efficiency-oriented designs in all our activities and protect the environment by minimizing our environmental impacts. In this context, we provide the necessary resources to achieve the goals we have determined with our sustainable integrated management system applications and continuously improve our performance.

Information security has an important place in our integrated management systems. We fully implement these security measures in all our processes, adhering to the principle of protecting the confidentiality, integrity and accessibility of information assets.

With these commitments, we continue to progress as a reliable, sustainable and quality brand in the sector.

Certificate ¹	Time taken ² / Scheduled to be taken	Scope
 ISO 9001	20.07.1998	Development, design, production, sale, modification, repair, production of accessories and related support services of trailers, semi-trailers, all kinds of superstructures, equipment, special purpose land vehicles and public service vehicles that require serial and special production.
 ISO 14001	22.11.2017	Development, design, production, sale, modification, repair, production of accessories and related support services of trailers, semi-trailers, all kinds of superstructures, equipment, special purpose land vehicles and public service vehicles that require serial and special production.
 ISO 50001	13.02.2024	Design and production of all kinds of superstructures of trailers, semi-trailers, series and special purpose land vehicles, military armored/unarmored vehicles and special platforms, superstructures and equipment using electricity, natural gas, solar energy, raw materials and natural resources; modification, assembly and repair of vehicles.
 ISO 27001	13.08.2018	Production of all kinds of superstructures, equipment and accessories of trailers, semi-trailers, series and special purpose land vehicles, modification and repair of vehicles, customs and foreign trade transactions and logistics, storage, accounting, finance, HR, quality, R&D, production, management, all administrative organization activities and information technology activities related to these transactions, and the security measures used to protect these assets.
 ISO 45001	29.11.2017	Production of all kinds of superstructures, equipment and accessories for trailers, semi-trailers, series and special purpose land vehicles, modification and repair of vehicles.
 IATF 16949	24.09.2021	Manufacture of Shaped, Welded and Painted Metal Parts (Excludes Product Design Under Clause 8.3)
 ISO 3834	10.12.2012	Trailer, Semi-Trailer, Tanker, Semi-Trailer, Truck-Mounted Solo Tanker, Truck-Mounted Dumper, Special Production, Concrete Pump, Road Sweeper, Military Project Vehicles
 AQAP-2110	9.12.2022	The design and production of trailers, semi-trailers, mass-produced and special-purpose land vehicles with all types of superstructures, as well as military armored/unarmored tactical wheeled vehicles and special platforms, superstructures, and equipment; along with the modification, assembly, and repair of vehicles

¹ Our certificates renewed every 3 years.
² The dates when they were first received are included.

Information Security and Cyber Risk Management

Cyber security has become a critical element for the sustainable growth of companies today, as digitalization accelerates. We implement a comprehensive information security management system to protect our corporate data, secure business processes and ensure the privacy of customer information. In this context, while fully complying with the Information Security Management System (ISO 27001) standards, we also take preventive measures by predicting potential threats with our risk management processes.

We conduct regular penetration tests and security assessments to effectively manage cyber risks. Action plans are created to detect and eliminate security vulnerabilities and are constantly updated against developing threats. In addition, we aim to minimize risks that may arise from the human factor by organizing comprehensive training programs to increase the awareness of our employees.

Our company's entire digital infrastructure is safeguarded with multi-layered security measures to ensure data security and business continuity. Backup and data recovery plans are in place for critical systems, ensuring uninterrupted service delivery. To enhance data security, a disaster recovery center has been established, where Koluman Automotive Industry data is backed up daily, and critical servers are backed up every 15 minutes. Additionally, all data is backed up on company servers twice a day.

Our commitment to data confidentiality goes beyond meeting legal obligations; it also strengthens the trust we share with our stakeholders. Information security policies are a vital component of our sustainability strategy, and we continuously improve our systems by staying aligned with technological advancements. With this approach, we aim to ensure the security of our digital ecosystem and the sustainability of our business processes in the long term.



Strong Financial Management and Economic Performance

2023 was a period in which the strengths and weaknesses of the Turkish economy became more apparent. Despite the volatile market conditions, the country's economy maintained its resilience and managed to maintain its momentum. Compared to 2022, the Turkish economy grew by an average of 5.4% annually.³ During this process, companies that prioritized financial discipline and strategic planning maintained their competitive advantages and opened the door to new opportunities.

As Koluman Automotive Industry, we successfully managed these conditions with our strong financial management approach and strategic planning skills. We demonstrated a solid economic performance with our financial policies and proactive approach aimed at creating long-term value.

We ranked 254th in the 2023 list of the ISO 500 Research, which determines the largest companies in the industry, rising 164 places compared to last year.

In order to support sustainable growth, we manage risks and opportunities in a balanced manner, and add value to all our stakeholders by using our resources efficiently. Thanks to our approach based on financial discipline, we increase our operational efficiency and create a strong financial infrastructure for new investments.

We aim to increase our number of employees and production volumes, and with our policy we have determined in this context, we support the increase of employment opportunities, especially regionally. At the same time, we allocate a significant portion of our financial income to R&D and innovation, digitalization, environmental impact reduction and energy improvement studies.

You can access our progress regarding our economic processes under the heading Economic Performance Indicators.

³ <https://ticaret.gov.tr/data/5e18288613b8761dccc355ce/Ekonomik%20Görünüm%202023%20Aralık.pdf>

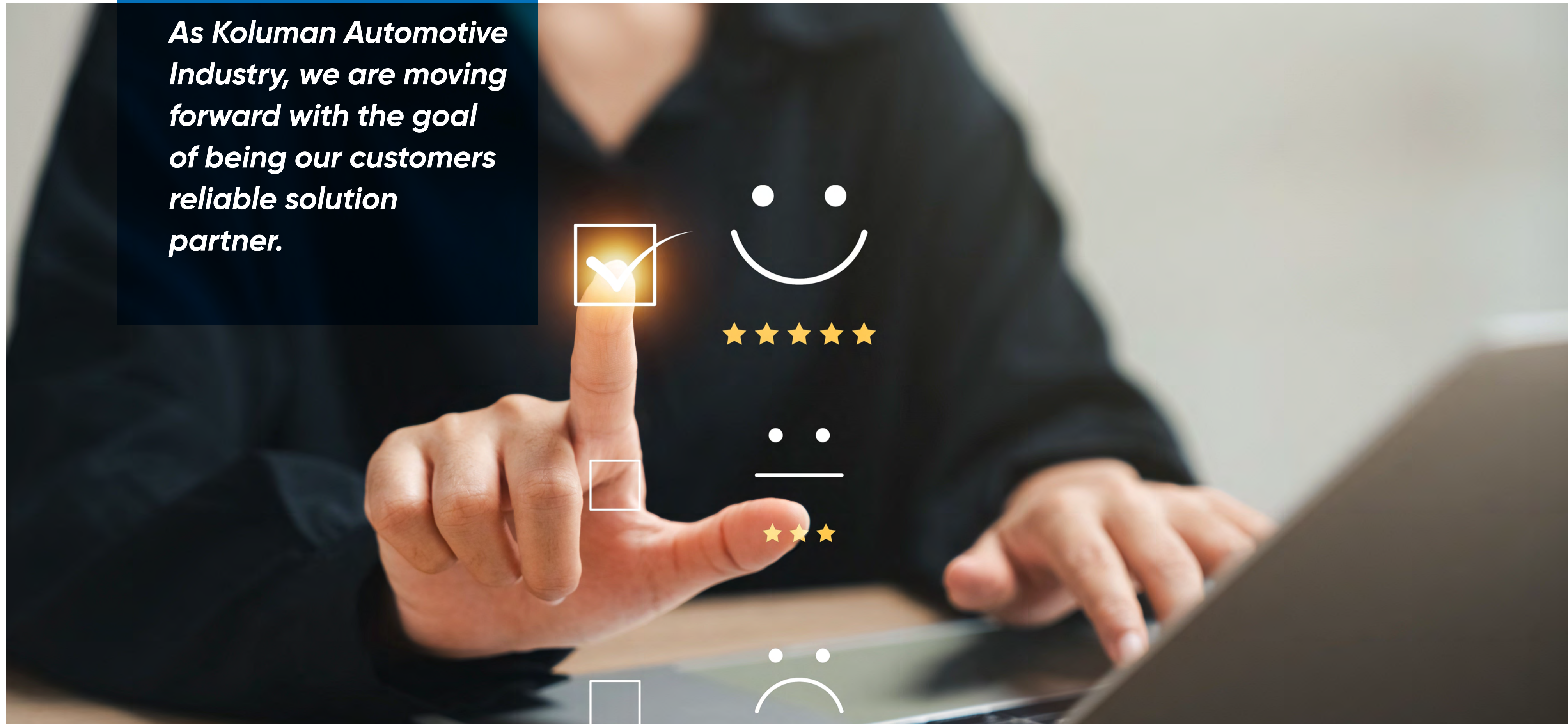
In 2023, we achieved approximately 4.2 billion in revenue.

Customer Satisfaction

As Koluman Automotive Industry, we prioritize the satisfaction, health and safety of our customers. Thanks to the approach we adopt in customer management, we create a system that supports sustainable and ethical business practices and build long-term customer relationships.

With the customer management strategies we develop, we anticipate the future needs of our customers and offer proactive solutions. By integrating innovative tools equipped with technology and data-driven methods into our processes, we continuously improve the customer experience. We act with our safe, responsible and quality service approach at every point of contact we establish with our customers. We position the satisfaction of our customers as a sustainable value and continue to strengthen this value at every stage of our business.

As Koluman Automotive Industry, we are moving forward with the goal of being our customers reliable solution partner.



Sustainable Customer Experience

We manage our relationships with our customers with the principle of trust-based and transparent communication. Our ethical business approach is based on open information sharing and creating a system where our customers can easily access all kinds of information about our products and services. We take feedback into account by providing fast and clear answers to customer questions and continuously improve our processes.

This approach not only increases customer satisfaction but also allows us to create strong and loyal customer bases in the long term. Transparent and trust-based communication increases the quality of the service we provide and ensures that our cooperation is based on solid foundations.

One of the important elements of our customer satisfaction is that we successfully achieve our on-time delivery target. We manage all our operational processes with effective planning and coordination at every

In 2023, we achieved our on-time delivery target by exceeding the 90% rate we determined.

stage from order to delivery. In this way, we reinforce our position as a reliable business partner by delivering our products to our customers on time.

We regularly conduct satisfaction surveys in order to continuously improve customer satisfaction and develop our strategies accordingly. For serial products, we apply a two-stage survey process for each of our customers: the first survey is conducted during product delivery, while the second survey is conducted after our customer has used the product for one month. This structure allows us to analyze customer

experience instantly and trackably, allowing us to better understand needs and adapt our services accordingly.

By developing special processes and services for each customer group, we maintain our customer satisfaction at a high level of 95%. In addition, we meticulously measure the specific expectations and satisfaction levels of these groups by organizing separate surveys for our B2B customers and military projects. We have performed above our targets with the satisfaction rate we have achieved. Thus, we have ensured that we meet the needs and expectations of our customers at the highest level. All these processes are an important indicator that also reflects the quality of the service we provide to our customers.

Our customer satisfaction rate is 95% in 2023.



Customer Privacy and Security

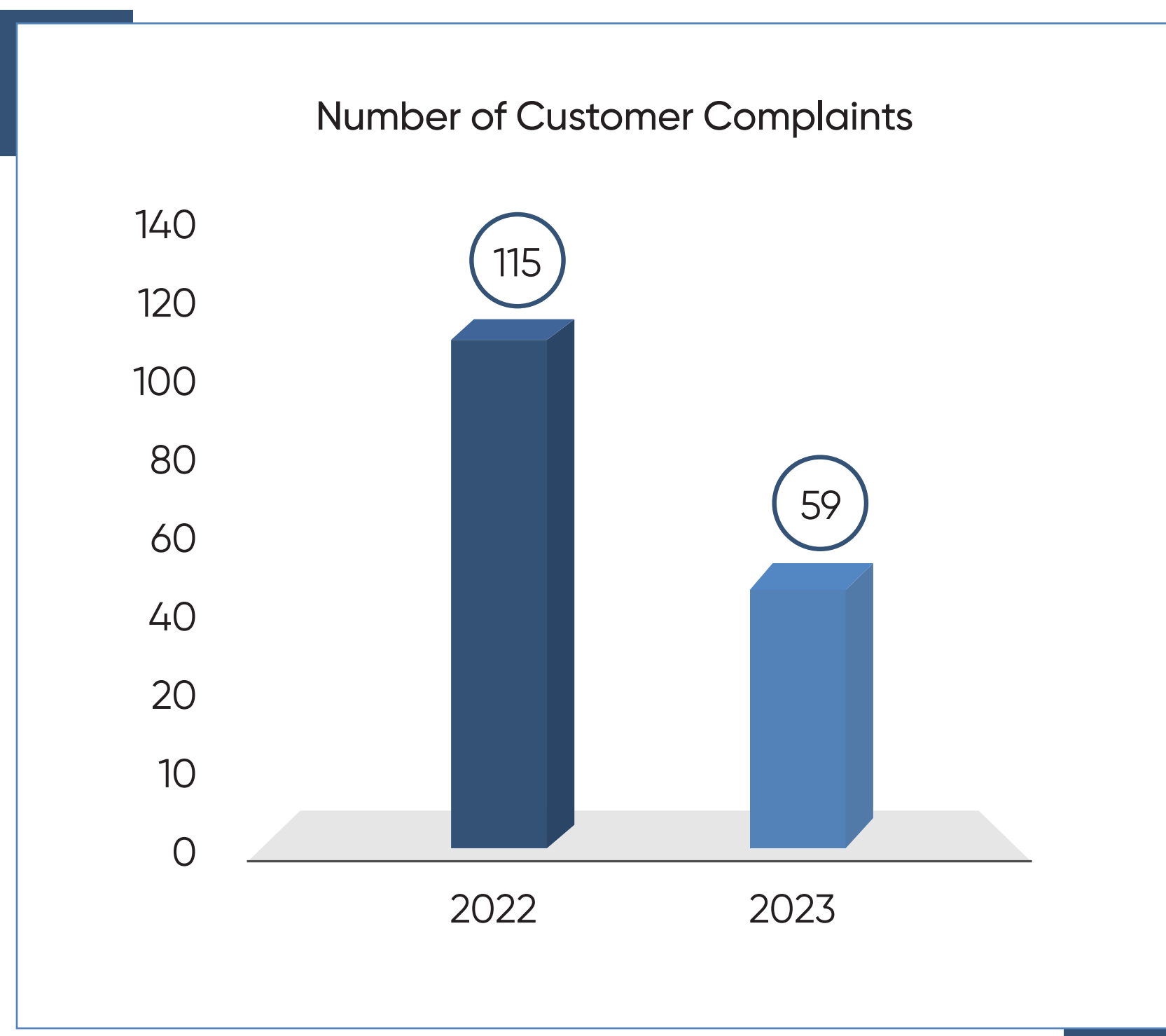
In 2023, the number of complaints regarding customer privacy violations in domestic sales and B2B is zero.

With the importance we attach to customer privacy, we protect and process all customer data within the framework of the highest security standards. As a reflection of this approach, no complaints were received regarding customer privacy violations in our domestic sales and B2B activities in 2023. Our zero-complaint rate reveals how effective the measures we take to ensure customer trust are.

In addition, during product design, the R&D-Homologation unit carries out studies to improve customer health and safety effects within the scope of legal processes. In addition, homologation tests are carried out within the scope of final quality control processes.

Customer Feedback

Evaluating customer feedback is critical to improving our service quality and customer satisfaction. We see feedback from our customers as an important guide to improve our services and better meet their expectations. By meticulously analyzing complaints, we quickly identify our deficiencies and produce proactive solutions in these areas. We accept customer feedback as a development opportunity and aim to continuously improve and maximize our service quality.



As Koluman Automotive Industry, we are proud to be a company that manages to keep customer satisfaction and trust at the highest level. With our sustainable business strategies, ethical values and customer-focused approach, we are strengthening our position in the sector every day. We aim to maintain customer satisfaction for many years by continuing to maintain our innovative and reliable service approach that is sensitive to customer feedback in the future.

Thanks to our improvement processes and high-quality performance, we have reduced the number of customer complaints from 115 in 2022 to 59 in 2023, a decrease of 49%.

Stakeholder Communication

Stakeholder Group		Communication Method	Communication Frequency	Communication Topic
	Suppliers	Supplier evaluation meetings, trainings, supplier audits, Supplier Application System, e-mail	As Needed, Daily, Monthly or Annual	Quality standards, sustainability requirements, performance analyses, process improvement studies, legal compliance and risk management
	Customers	e-mail, customer communication channels, customer satisfaction studies	As Needed, Daily, Monthly or Annual	Product and service quality, customer feedback and demands, after-sales support, new product launches, marketing and campaign information
	Employees	Internal communication activities, employee satisfaction and loyalty studies, corporate events, e-mail	As Needed, Daily, Monthly or Annual	Employee experience, development programs, occupational health and safety information, internal strategic announcements, performance evaluation feedback
	Dealers	Dealer meetings, field visits, e-mail, phone calls	As Needed, Daily, Monthly or Annual	Sales performance, product stock information, marketing campaigns, training programs, dealer feedback and improvement suggestions
	Warehouses	Warehouse visits, operational meetings, reporting via ERP system, e-mail	Daily or Weekly	Logistics and supply chain optimization, stock management and inventory accuracy, operational performance monitoring, warehouse safety and risk management
	Public Institutions and Organizations	Opinion submission, official correspondence, cooperation with local institutions, audits, relations with local institutions, permit and license processes	Daily, Monthly or Annual	Legal compliance, permit and license processes, environmental and social responsibility projects, regulatory agency reporting, public audit and assessment processes
	Certification Organizations	Certificate audits, root cause analysis studies	Yearly	Quality and environmental management system audits, certification processes, improvement activities, compliance reporting
	Universities	R&D and innovation cooperation meetings, academic events, project-based communication	As Needed, Daily, Monthly or Annual	Joint research projects, technical information exchange, internship programs and career days, sectoral conferences and symposiums
	Shareholders and Investors	General Assembly, Activity Report, Investor Relations Meetings	Yearly	Financial performance reporting, monitoring of strategic goals, sustainability strategies and environmental, social and governance (ESG) performance, risk and opportunity management assessments

STRATEGIC MANAGEMENT



Global Developments, Trends and Mega Trends

2023 was a new era shaped by the impact of the climate crisis. In addition, it went down in history as a period in which the climate crisis continued to be the driving force of global transformation and radical changes were experienced. The European Green Deal (EU Green Deal) imposes serious obligations on all industries, especially the automotive sector, regarding low-carbon production standards and renewable energy use. In addition, the Emissions Trading System (ETS) stands out with the European Union's policy of limiting emissions in carbon-intensive sectors. In 2023, the Border Carbon Adjustment Mechanism (CBAM) came into effect with the transition process and a new era began in global trade.

Another important development took place at the United Nations Conference of the Parties – COP 28 summit. While the summit called for global cooperation to accelerate renewable energy investments and expand the electric vehicle infrastructure, decisions to develop policies that will encourage the transition away from fossil fuels made a great impact. The World Economic Forum's (WEF) 2023 Global Risk Report supports this decision, pointing out many critical risks from energy transition to supply chain risks and natural disasters caused by climate change, and emphasized that companies should take strategic steps to increase their resilience.

As Koluman Automotive Industry, we see combating the climate crisis as a responsibility and an opportunity. In this context, we have set concrete goals to reduce our carbon footprint and integrated national and international regulations into our strategic management approach to achieve these goals. While increasing the importance we give to renewable energy investments, we have implemented the investment decisions we have made in this direction. In 2023, we expanded our current risk management structure to include sustainability risks. We analyzed all ESG-focused risks in detail and focused on our potential to transform relevant risks into opportunities.

Regulations such as the Corporate Sustainability Reporting Directive (CSRD) and the Turkish Sustainability Reporting Standards (TSRS), shaped by a risk-based approach and integrated thinking structure, have made transparent reporting mandatory and redefined the responsibilities of companies. As Koluman Automotive Industry, we closely follow these regulations and constantly update our sustainability strategy in line with new developments.

Sectoral Developments, Electrification, Mobility, Battery Technologies and Autonomous Vehicles

The global automotive market grew by 14% in 2023 compared to the previous year, reaching 92,725,000 units. A remarkable increase of 60% was recorded

in the Other European automobile market, which includes Türkiye. In the January–December 2023 period, Türkiye's total automotive exports increased by 5% in terms of units. According to the data of the Turkish Exporters Assembly, the automotive industry maintained its position as the country's export leader with a 16% sector share. In the same period, total vehicle production increased by 9%, reaching 1,468,393 units.⁴ This data reveals that the automotive sector demonstrated a strong performance both locally and globally in 2023.

Electrification has become the most critical element of the transformation in the sector in 2023. Electric vehicle sales have reached record levels and incentive programs have been offered to accelerate the global transition to zero-emission vehicles. There have been significant developments in the evaluations and localization strategies for battery production facilities in Türkiye. New generation technologies have been focused on in battery production. The development of battery recycling technologies has become an important part of the circular economy. Autonomous vehicle technologies have become critical in terms of sustainability and efficiency in 2023. Autonomous vehicles have solidified their place among the mobility solutions of the future with their potential to reduce traffic congestion and increase fuel efficiency. Shared mobility and micromobility applications have offered alternative solutions in sustainable transportation.

McKinsey's report titled "Mobility Trends Outlook" covered the major developments in the mobility sector in 2023 and forecasts for the coming years. The report, which covers topics such as electric vehicles, autonomous driving technologies, consumer preferences and technological innovations, also revealed sectoral advances. The demand for battery electric vehicles worldwide is expected to increase sixfold from 2021 to 2030, reaching approximately 40 million units annually. Electric vehicle manufacturers plan to open up to global markets with competitive prices thanks to integrated supply chains. The lithium-ion battery chain is expected to grow by 27% annually from 2022 to 2030, exceeding \$400 billion in 2030 and reaching a market size of approximately 4,700 GWh. The majority of this demand will come from mobility applications, especially electric vehicles. These trends show that the mobility sector is rapidly transforming and technological innovations are shaped in line with consumer preferences and sustainability goals.

As Koluman Automotive Industry, we closely follow the progress of our sector and shape our strategic goals and investment decisions accordingly. With our improvements in after-sales services and customer management, we take responsibility for our products at every stage from production to end-of-life and ensure full compliance with legal regulations.

⁴<https://www.osd.org.tr/saved-files/PDF/2024/11/20/2023%20Küresel%20Değerlendirme%20Raporu.pdf>

Sustainability Approach

As Koluman Automotive Industry, we aim to create a long-term value creation strategy by focusing on sustainability. We aim to integrate the culture of sustainability into the entire organizational structure and create a work environment that embraces this culture.

We held the Sustainability SWOT Analysis and Targets Universe Workshop.

In this context, the Sustainability SWOT Analysis and Target Universe Workshop we held was an important initiative to structure our sustainability work and collect information from different stakeholders on this subject. In the workshop, we obtained information about the sustainability motivations of the participants. The answers obtained revealed the importance of taking responsibility for a more livable world, developing an approach based on integrated thinking, and effectively implementing sustainability in business processes. These results also underline the importance we attach to stakeholder participation in the sustainability journey.

We base Koluman Automotive Industry's sustainability work on a clear strategic framework:

Dissemination of sustainability culture throughout the organization: We implement regular training programs to increase employees' sustainability awareness and develop their competencies; with these studies, we ensure that sustainability is established as a corporate culture.

Determination of concrete and measurable goals: We create measurable criteria when determining environmental, social and governance-focused sustainability goals. We effectively monitor and report on these goals and key performance indicators.

Analyzing and managing stakeholder expectations: We manage systematic processes to understand the sustainability expectations of both our internal and external stakeholders and to develop solutions that meet these expectations.

In environmental sustainability studies, we focus on areas such as resource efficiency, reducing energy consumption, waste management and controlling emissions. We carry out these studies in accordance with national and international environmental standards. At the same time, we support our social sustainability goals with environmental sustainability projects. We also take concrete steps in issues such as protecting employee rights, developing an inclusive work environment and increasing employee satisfaction.

Stakeholder participation is an important part of our sustainability strategy. We analyze the expectations of our internal and external stakeholders and include their views in our decision-making mechanisms in our business processes.

As Koluman Automotive Industry, we also aim to achieve sustainability goals, increase global competitiveness and prepare for the future business world with this holistic approach. With the innovative goals we have determined, we will further strengthen our impact in the field of sustainability.



STRENGTHS

Environmental and Energy Management: Utilization of green energy, energy audits, waste reduction, and recycling.
Localization Efforts: Reduction in carbon emissions and contribution to the local economy.
Human Resources Management: Employment opportunities for women and individuals with disabilities, flexible working models, and social activities.
Continuous Improvement: Implementation of Kaizen and Green Kaizen practices.
Digitalization: Data management and process optimization.
Occupational Health and Safety: High-quality production and efficient resource utilization.
Financial Strength: Capacity to continuously invest in sustainability projects.
Brand Recognition and Prestige: Building trust and creating new business opportunities.
R&D and Innovation: Green transformation projects and scientific publications.
Sustainability Team and Training: Establishing a sustainability culture across the company under the leadership of senior management.

OPPORTUNITIES

Renewable Energy Investments: Investments in renewable energy.
Digitalization and Technology: Integration of digitalization efforts into processes and ensuring the continuity of this integration.
Green Product and Service Development: Investments in sustainable products and services.
Sustainable Supply Chain Management, Green Supply Chain: Ensuring sustainability and business continuity in the supply chain and mitigating supply chain risks.
Collaborations and Partnerships: Establishing strong collaborations and partnerships.
Social Responsibility Projects: Investments in social responsibility initiatives.
Innovative Financing Models: Implementation of innovative and visionary financing models.
Utilizing Regulations and Incentives: Leveraging sustainable financing opportunities and securing incentives.
Employee Training and Development: Efforts focused on enhancing employee competencies.
Market Demand Trends: Monitoring market demand trends and seizing opportunities.

WEAKNESSES

Supplier Management: Carbon footprint awareness and sustainability criteria.
Workload Distribution and Working Hours: Enhancing employee satisfaction.
Products and Processes: Incorporation of sustainability criteria.
Policies and Procedures: Integration of sustainability.
Environmental Awareness and Waste Management: Awareness-raising initiatives.
Risk Management and Sustainability Criteria: Improved risk management practices.
Renewable Energy Usage: Energy efficiency and reduction of environmental impacts.
Social Responsibility and Budgeting: Social responsibility projects and budgeting.

THREATS

Workforce Loss: Competitive employment policies and high labor costs.
Climate Conditions: Impacts on energy costs and production capacity.
Geographical Location: Increased logistics costs and supply chain disruptions.
Competency Gaps: Lack of expertise in innovative technologies and sustainability knowledge.
Energy and Carbon Costs: Rising operational expenses and carbon taxes.
Geopolitical and Economic Risks: Natural disasters, economic crises, and inflation.
Domestic Market Contraction: Decline in sales and revenue.
Supply Chain Risk: Raw material selection and supply chain vulnerabilities.
Sustainability Risks in the Supply Chain: Low sustainability awareness among suppliers and lack of geographical distribution.

As Koluman Automotive Industry, we build our sustainability strategy on reinforcing our strengths, evaluating opportunities and effectively managing potential risks. In this context, the Sustainability SWOT Analysis we conducted has been an important guide that shapes our strategic plans. The analysis has enabled us to determine our sustainability goals with a clearer perspective by addressing our strengths and development areas in environmental, social and governance areas in detail.

Among the strengths of our company, green energy use, carbon emission reduction, energy efficiency and localization studies that contribute to the local economy stand out. In addition, elements such as increasing women's employment, supporting flexible working models and encouraging innovation with R&D investments are included in our sustainability approach. We continue to integrate our sustainability culture into all our business units with digitalization and process improvement studies.

The SWOT Analysis also revealed areas of opportunity such as renewable energy investments, digitalization,

technological transformation and sustainable supply chain management. By evaluating these opportunities, we are advancing our sustainability performance with corporate responsibility projects, innovative financing models and efficiency-focused processes.

Aware of potential risks, we are developing proactive approaches to issues such as the increasing effects of climate change, high costs, supply chain sustainability and workforce loss. In order to manage these risks, we implement flexible business models, increase the knowledge and competencies of our employees and implement sustainability-based processes.

The findings obtained with the SWOT Analysis reveal that our sustainability efforts are not only adaptation to current conditions, but also preparation for future opportunities and needs. With this understanding, we continue to progress by transforming our sustainability strategies into concrete goals.

Sustainability Committee



Sustainability Committee carries out transformation activities that inspire and integrate sustainability issues into the company strategy.

The Sustainability Committee was established with a strategic vision, taking into account national and international sustainability standards, mega trends and the current status of the company.

The Committee acts as a guide in the implementation of sustainability goals, while also providing strong leadership in ESG areas. The Committee also includes the Sustainability Management Team, which supports strategic decision-making processes under the leadership of the Chairman of the Board of Directors. This dynamic structure, consisting of a total of 31 members, directs the company's sustainability-focused transformation journey. The Committee assumes responsibility in a wide range of areas, from determining and implementing sustainability strategies to developing innovative solutions on social and environmental issues.

The members of the Committee have a multifaceted job description, ranging from determining and implementing the sustainability strategy to representing the company on national and international platforms. These responsibilities include:

- Strategic Direction:** Determining sustainability goals, providing the resources needed to achieve these goals, and implementing strategies.
- Data and Research Management:** Creating the necessary data infrastructure, collecting, managing, and analyzing data for sustainability reporting.
- Motivation and Awareness:** Disseminating a sustainability culture within the company, motivating employees, and supporting organizational transformation.
- Collaboration and Coordination:** Ensuring coordination between departments, leading projects on issues such as energy efficiency, carbon reduction, and waste management.

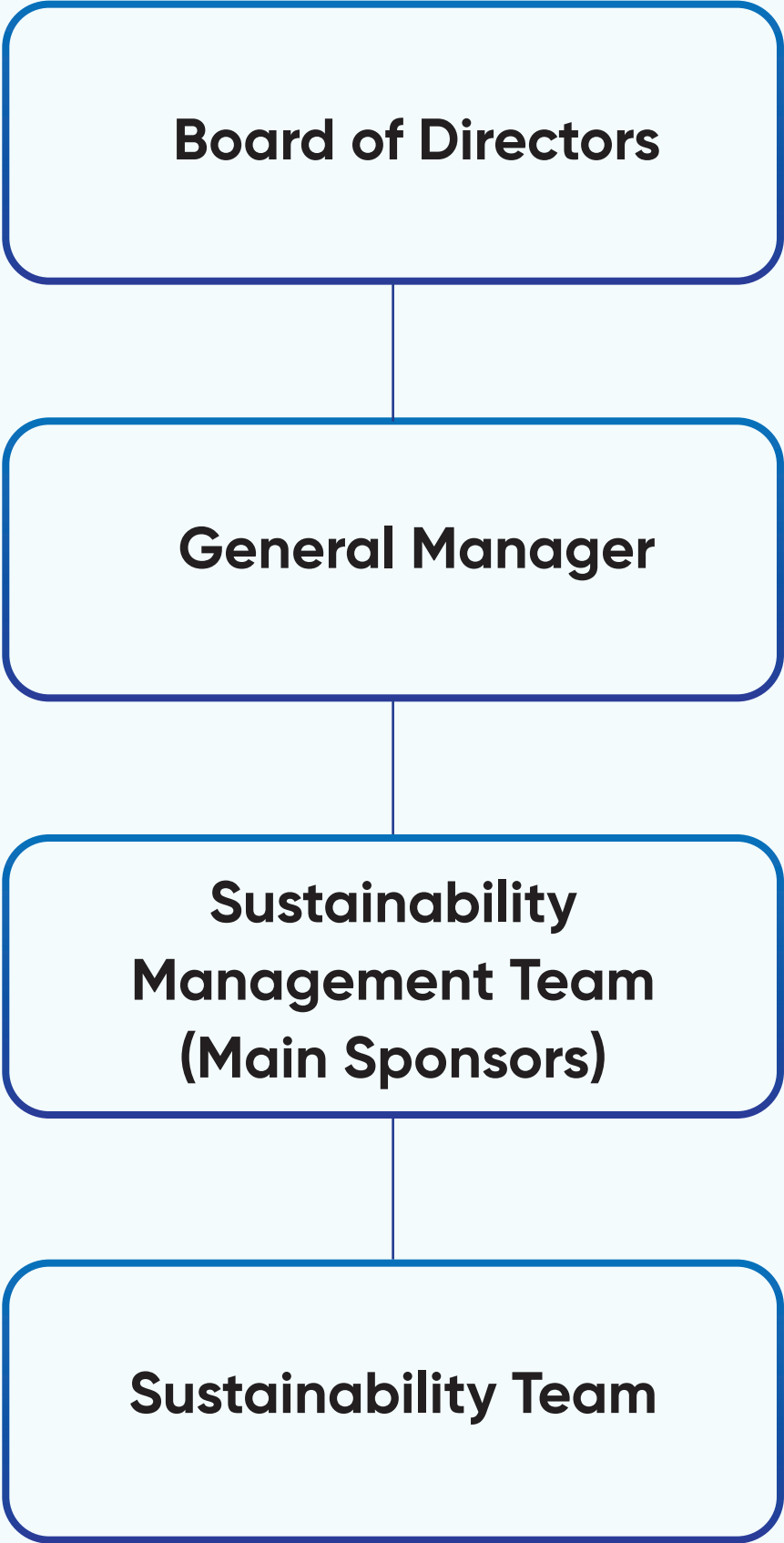
The Sustainability Committee leads projects that create transformation in many areas within and outside the company. Active work is carried out in critical areas such as energy efficiency, carbon emission reduction, green energy projects, waste management, and environmental management practices. In addition, while optimizing processes with digitalization projects, best practices are followed through participation in scientific events and international fairs. A culture of continuous learning and development is supported with benchmark studies. The sustainability team, which includes at least two representatives from each department for the effective management of sustainability activities throughout the

company, plays a key role in the success of the projects. In addition, the volunteer Green Team, consisting of 8 experts and 3 managers, creates an energetic synergy. This team facilitates the achievement of sustainability goals by implementing innovative ideas and increases environmental awareness within the company.

2023 stood out as a period in which we deepened and structured our sustainability strategy. We brought many issues to the Board of Directors through our Sustainability Committee and made significant progress serving our sustainability strategy. During this year, we brought our reporting processes into line with the relevant requirements within the scope of compliance with national and international sustainability reporting standards. In addition, we conducted a comprehensive prioritization analysis, which we organized throughout the company and included all our stakeholders, in order to determine sustainability priorities. In line with this analysis, we took more focused steps on issues within the scope of sustainability, clarified our goals and created key performance indicators to monitor them. We developed tracking mechanisms to monitor the relevant indicators. With these processes, we have strengthened our sustainability strategy and at the same time implemented a measurable and effective sustainability management approach throughout Koluman Automotive Industry.

Together with our committee, we aim to shape our business processes by prioritizing sustainability-related issues according to the needs of the future. In this journey, we aim to create a strong ecosystem created with the contribution of everyone from our employees to our leaders and our value chain, including all our stakeholders.

Sustainability Committee Organization Chart



Sustainability Priorities

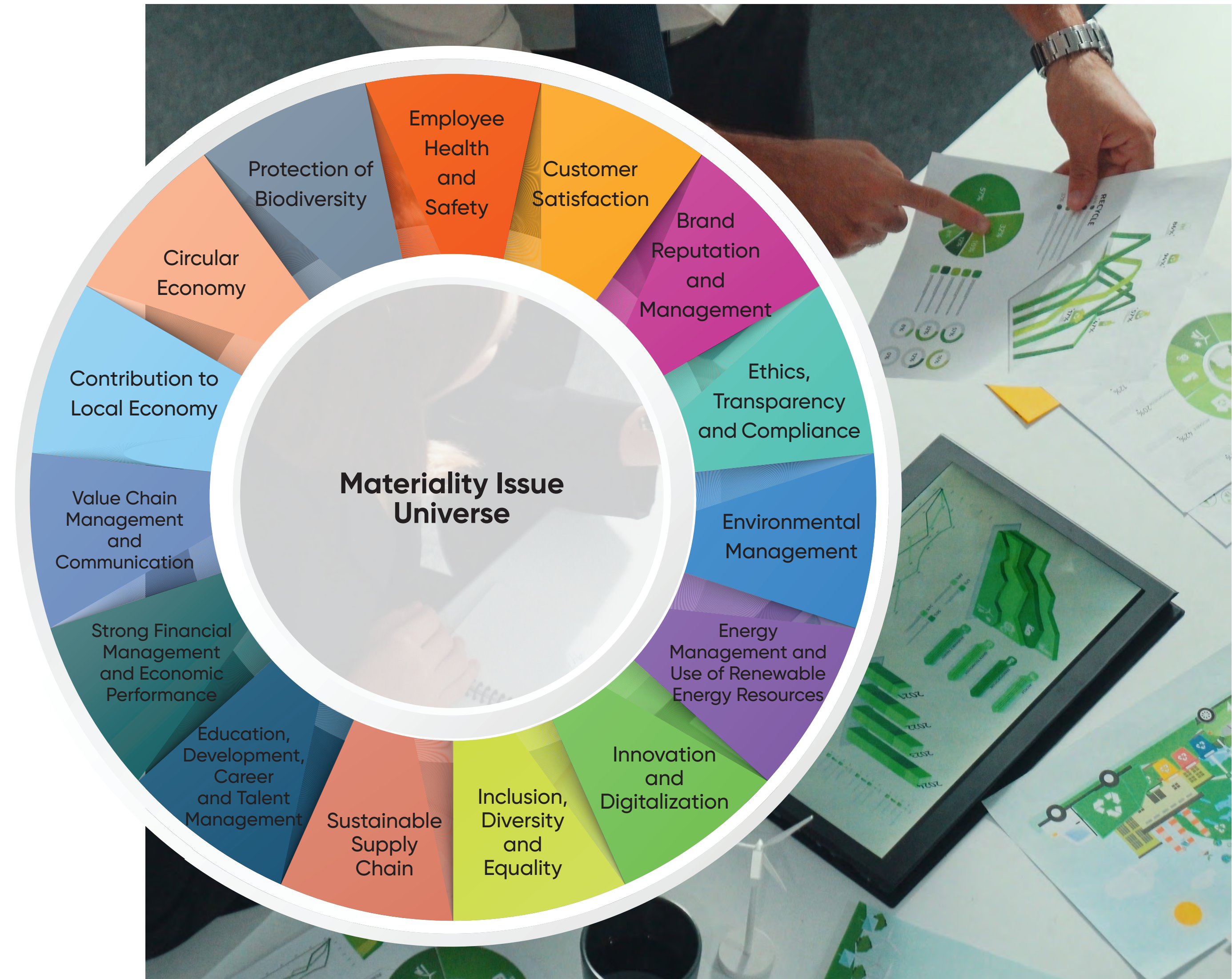
As Koluman Automotive Industry, we have meticulously analyzed global trends, mega trends, national and international sustainability standards and sectoral developments to determine strategically materiality issues in terms of sustainability. As a result of these studies, we have determined our important sustainability-oriented issues and created a materiality framework based on these issues. We have identified our materiality issues under ESG headings and determined our materiality issue universe.

We received the opinions of our stakeholders on 15 sustainability-oriented topics that we included in the materiality issue universe. In this context, we conducted a detailed survey study on the materiality issue universe, taking into account our employees and all stakeholders in our value chain. We received the opinions of our internal and external stakeholders on these issues covering all dimensions of sustainability through online surveys. We presented our surveys to the valuable opinions of 729 people, 276 of whom were our internal stakeholders and 453 of whom were our external stakeholders. During this process, we received a total of 392 responses from 198 internal stakeholders and 194 external stakeholders, and reached a response rate of approximately 54%. With the surveys, we evaluated the

impact of each sustainability issue in the sector we operate on our corporate management and sustainability approach. We reflected the responses and comments of our stakeholders in our materiality analysis by taking them into consideration.

Throughout the process, we also consulted the opinions of our senior management and shaped our final decisions with our Board of Directors in line with our strategic roadmap and growth targets. We also took into consideration the ESG impacts we create, the risks we may face, and the opportunities we may seize.

As a result of these studies, we grouped our materiality issues as very high materiality, high materiality, and materiality issues and determined them as "Employee Health and Safety, Customer Satisfaction, Brand Reputation and Management, Ethics, Transparency and Compliance, Environmental Management, Energy Management and Use of Renewable Energy Resources, Innovation and Digitalization, Inclusion, Diversity and Equality, Sustainable Supply Chain, Education, Development, Career and Talent Management, Strong Financial Management and Economic Performance, Contribution to the Local Economy, Circular Economy and Protection of Biodiversity".



2023 Materiality Matrix

VERY HIGH MATERIALITY ISSUES

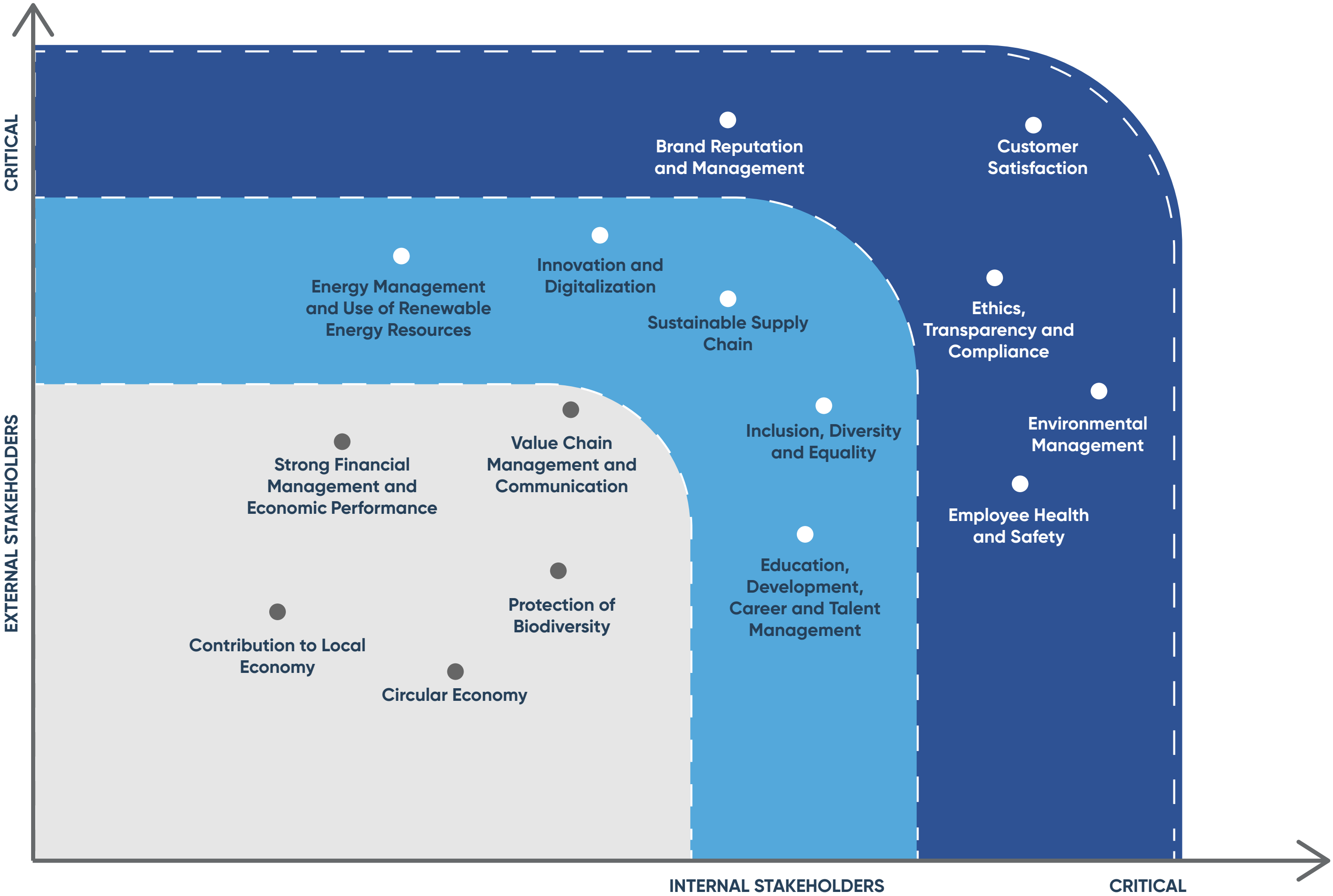
Brand Reputation and Management
Employee Health and Safety
Customer Satisfaction
Ethics, Transparency and Compliance
Environmental Management

HIGH MATERIALITY ISSUES

Energy Management and Use of Renewable Energy Resources
Innovation and Digitalization
Inclusion, Diversity and Equality
Sustainable Supply Chain
Education, Development, Career and Talent Management

MATERIALITY ISSUES

Strong Financial Management and Economic Performance
Value Chain Management and Communication
Contribution to Local Economy
Circular Economy
Protection of Biodiversity



Sustainability Goals and Roadmap

While determining our sustainability goals, we conducted a comprehensive analysis process to ensure that our decisions are based on a solid foundation. During this process, while evaluating our company's current sustainability performance, we also examined national and international standards, sector trends and mega trends in detail. By analyzing the risks and opportunities in ESG issues, we determined our priority target issues by considering both our short-term operational needs and our long-term strategic vision.

We also examined our company's performance indicators such as carbon emissions, energy efficiency, waste management and water use in detail. Within the scope of social sustainability, we addressed the current situation in the areas of employee satisfaction, inclusiveness, diversity and social impact.

Internal and external feedback also guided our process for the sustainability of business processes and meeting stakeholder expectations. Thus, we carried out the process of determining sustainability goals with a participatory and strategic approach. We held a comprehensive Target Workshop with the participation of different departments. In line with the ideas of the participants, we determined our priority target issues to be focused on in ESG areas and our short, medium and long-term approach.

We structured the determined goals to support our operational sustainability needs and our company's long-term strategic vision. We presented the results of the workshop to our senior management and received their detailed evaluations. In line with the valuable opinions of our Board of Directors, we shaped our goals by making final revisions and implemented our approved goals.

Short Term (0-1 Year)

- Implementation of the Sustainability Management System and its integration into the Integrated Management System
- Establishment of the Sustainability Committee
- Preparation of the 2023 Sustainability Report
- Conducting a sustainability risk and opportunity analysis
- Achieving a 3% reduction in Scope 1 and Scope 2 emissions in 2024
- Development of the Values Atlas

Medium Term (2-5 Years)

- Contributing to at least 7 of the Sustainable Development Goals (SDGs) by 2030
- Increasing female employment by 10% compared to 2023 levels by 2028
- Reducing Scope 1 and Scope 2 emissions by 50% by 2028 compared to 2023 levels
- Decreasing water consumption per vehicle by 25% by 2028 compared to 2023 levels
- Increasing the number of strategic suppliers (15% by 2028)
- Enhancing the overall level of A/B suppliers
- Assessing and improving digital maturity levels
- Increasing the ratio of automated and digitalized processes
- Improving employee satisfaction
- Increasing gross profit (EBITDA)
- Extending the training hours per employee
- Raising the average score of the Values Atlas
- Expanding sustainable products through R&D and innovation efforts
- Reviewing suppliers under the green supply chain initiative and guiding them toward sustainability
- Procuring raw materials and products with a low carbon footprint
- Conducting life cycle analyses for all products
- Creating a value map for all products
- Enhancing automation in production by leveraging new Technologies

Long Term (5-35 Years)

- Achieving net-zero emissions target by 2050
- Attaining carbon neutrality in products as part of the 2050 carbon-neutral goal
- Increasing the recycling rate of products after their life cycle is completed
- Enhancing digital maturity levels
- Reusing wastewater generated from production in manufacturing processes
- Developing sustainable and innovative products
- Enhancing the company's prestige and recognition on an international scale
- Implementing rainwater harvesting
- Transitioning to renewable energy sources (Solar Power Systems – SPP)

Contribution to Sustainable Development Goals

As Koluman Automotive Industry, we have designed our business model and corporate values to make sustainability an important element of our operations. Our strategies that contribute to the United Nations Sustainable Development Goals (SDGs) and our approach to managing existing risks and opportunities enable us to take concrete steps to improve our sustainability-related impacts. In order to develop effective solutions to today’s complex problems, we adopt a measurable and results-oriented approach by integrating our sustainability goals with our strategic processes.

We adopt a systematic approach to determine our contribution to the Sustainable Development Goals and to manage this contribution effectively. We identify our priority areas by evaluating the relationship of each SDG with our activities, and create concrete targets and indicators in these areas. We conduct regular performance evaluations to measure and monitor our contribution, and evaluate continuous improvement opportunities by transparently sharing the results with relevant stakeholders. We monitor our contribution to the SDGs through our Sustainability Report.

Contributions to the Sustainable Development Goals and Sub-Goals

Focus Area	Materiality Issues	Related SDGs	Contributed Sub-Goals
RESPONSIBLE GOVERNANCE AND TRANSPARENCY	Brand Reputation and Management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.6, 12.8
	Ethics, Transparency and Compliance	8 ECONOMIC GROWTH, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS	8.5, 8.7, 16.5, 17.16, 17.17
STRATEGIC MANAGEMENT	Strong Financial Management and Economic Performance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS	16.6, 17.4
	Value Chain Management and Communication	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 17 PARTNERSHIPS FOR THE GOALS	12.2, 12.5, 12.6, 17.6, 17.7
	Customer Satisfaction	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2, 12.5, 12.6
PROTECTING THE BORDERS OF THE PLANET	Environmental Management	6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION	6.3, 7.2, 7.3, 11.2, 11.6, 12.2, 12.4, 12.5, 12.6, 12.8, 13.1, 13.2, 13.3, 13.5
	Energy Management and Use of Renewable Energy Resources	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION	7.2, 7.3, 13.3
	Circular Economy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2, 12.5
	Protection of Biodiversity	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 15 LIFE ON LAND	12.2, 15.5
CREATING VALUE FOR PEOPLE AND SOCIETY	Employee Health and Safety	3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 8 ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	3.9, 4.3, 8.8, 12.4
	Inclusion, Diversity and Equality	4 QUALITY EDUCATION, 5 GENDER EQUALITY, 10 REDUCED INEQUALITIES	4.5, 5.1, 5.5, 10.3
	Education, Development, Career and Talent Management	4 QUALITY EDUCATION, 8 ECONOMIC GROWTH	4.3, 4.4, 4.7, 8.5
	Contribution to the Local Economy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 17 PARTNERSHIPS FOR THE GOALS	12.2, 12.5, 17.6, 17.7
DESIGNING THE PRODUCTS OF THE FUTURE WITH INNOVATIVE SOLUTIONS	Innovation and Digitalization	7 AFFORDABLE AND CLEAN ENERGY, 8 ECONOMIC GROWTH, 11 SUSTAINABLE CITIES AND COMMUNITIES	7.2, 8.2, 8.5, 8.7, 11.2
	Sustainable Supply Chain	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2, 12.5, 12.6

PROTECTING THE BORDERS OF THE PLANET



Environmental Management

As Koluman Automotive Industry, we develop innovative and effective solutions to minimize our environmental impacts in our operational processes. We carry out our work by taking our ISO 14001 Environmental Management System and Integrated Management Systems Policy as our guide. In this context, we continue our work in a wide framework from reducing greenhouse gas emissions to water and wastewater management, from energy efficiency to circular economy-oriented waste management.

We make greenhouse gas calculations in accordance with the ISO 14064-1 Standard and reduce our carbon footprint by using renewable energy resources effectively. We support the sustainability of resources with process improvements aimed at reducing water consumption and investments in wastewater

treatment systems. Within the scope of the ISO 50001 Energy Management System, we implement projects aimed at increasing energy efficiency. We also encourage the use of solar energy and accelerate the transition to low-carbon technologies. We develop reuse and recycling projects in accordance with circular economy principles. We strengthen our growth model in harmony with nature with our voluntary projects that support ecosystems and biodiversity.

We conduct environmental sustainability assessments in our supply chain and aim to spread these practices throughout our entire value chain.

You can find the comprehensive assessments we implement in the supply chain under the Sustainable Supply Chain heading. All these studies are also supported by the Sustainability Committee and the Green Team team, while the

compliance of the processes is monitored by our Environmental Management System auditors consisting of 45 people. Our senior management supports our developments in these areas by allocating significant resources to environmental processes. In 2023, we made a total investment of approximately 4.8 million TRY for chemical and biological treatment revisions, daylight utilization project, optimization of lighting fixtures, activation of solar panels and improvements in KTL furnace operating time. We also allocated a budget of 2 million TRY for technical and operational processes related to environmental management.

We have implemented various training activities to increase environmental awareness and ensure the effectiveness of processes. We provided a total of 188 person*hours of environmental management training to 376 people. In addition, we provided a

total of 173 person*hours of training to 519 people within the scope of environmental consultancy services. We conducted 76 person*hours of online training with the participation of 304 people. We organized 180 person*hours of online training by reaching 720 people within the scope of our energy management activities. A total of 924 employees participated in our environmental trainings. In addition, we provided a total of 300 hours of environmental training to 15 subcontractor employees.

Our long-term goals include reaching the net zero emission target in 2050. In this direction, we continue to add value to nature and society by continuously improving our environmental management practices.

In 2023, we made a total investment and expenditure of approximately 6.7 million TRY for environmental sustainability studies.

Emission Formations

As Koluman Automotive Industry, we implement a comprehensive emission management strategy to reduce our environmental impacts within the framework of combating the climate crisis and climate action. We perform greenhouse gas emission calculations in accordance with the ISO 14064-1 Standard for all our activities, and support these calculations with detailed analyses and verification processes.

Category 1, Category 2 and Category 3-6 emissions have been included in our greenhouse gas calculations for 2023. In this context, direct greenhouse gas emissions arising from our production processes, indirect emissions arising from our energy supply and other indirect emissions caused by activities such as supply chain, logistics and service purchases have been measured in detail. While greenhouse gas emissions arising from our activities are evaluated within the scope of "Category-1 direct greenhouse gas emissions", greenhouse gas emissions arising from externally supplied electricity are evaluated within the scope of "Category-2 energy indirect greenhouse gas emissions". You can access the results of the emission calculations from the [Environmental Performance Indicators](#), and the verification information for our calculations from the [Greenhouse Gas Emissions Verification Statement](#) heading.

We aim to use renewable energy sources effectively to reduce Category 2 emissions.

In 2023, we purchased renewable energy to reduce our Category 2 energy indirect greenhouse gas emissions. In this way, we have achieved a significant decrease in our carbon footprint by offsetting the effects of emissions from our electricity consumption.

In 2023, we fully sourced our electricity consumption from renewable energy.

We also constantly control and manage our impacts on air quality. In line with the Industrial Air Pollution Control Regulation, we regularly measure a total of 52 chimneys in our factory. These measurements are carried out every two years in accordance with legal requirements and are evaluated within the framework of the limit values specified in the regulation. According to the latest measurement results, all our chimney emission values remained below the legal limits.

The results of the measurements carried out for air quality are periodically analyzed and the obtained data guide the measures to be taken for emission reduction. The measurement parameters carried out at our factory site include dust, gas and other pollutants.



Our measurement results are given in the table below:

Air Emission Parameters (kg/hour)	2023
CO	0,672
NO ₂	3,267
NO	2,025
SO ₂	0,534
Dust	1,4028
TOC	0,9743

As Koluman Automotive Industry, we are developing strategic emission reduction projects. Our renewable energy investments, transition to low-carbon technologies and efficient resource management projects are important steps we have taken to reduce greenhouse gas emissions. In addition, we organize awareness trainings to include our employees and business partners in these processes, thus demonstrating a collective approach to emission reduction.

Our net zero emission target, which we aim to reach in 2050, is at the center of our strategic plans. In this context, we will continue to develop innovative solutions in both our operations and supply chain processes.

Water and Wastewater Management

Protection of water resources, prevention of water pollution and effective wastewater management are important priorities of our environmental strategies. Water and wastewater management approach is integrated with our operational sustainability goals. In line with our Integrated Management Systems Policy, we focus on reducing our water consumption and developing solutions in line with national and international standards in wastewater management. While we handle our activities with environmental responsibility awareness, we aim to minimize water consumption.

The increasing risk of water stress in Türkiye stands out as a significant threat that also affects the region where our company is located. This situation requires us to take more proactive and innovative steps in water and wastewater management. Especially in this period when access to water is becoming increasingly critical, we are trying to minimize this risk with process improvement studies aimed at reducing water consumption and wastewater generation. We systematically analyze the risk of access to water resources in our short, medium and long-term risk

assessment approach and plan effective projects.

In 2023, a total of 74,691 m³ of water was supplied for use in our activities. 24,691 m³ of this amount was obtained from third-party water providers (Mersin Water and Sewerage Administration - MESKi) and 50,000 m³ from groundwater resources. In our water supply processes, we take care to use resources sustainably and take the necessary measures to minimize environmental impacts. While we pay attention to infrastructure and quality standards in water supplied from third-party providers, we fully comply with legal regulations in groundwater use. We regularly monitor the amount of water supplied and areas of use and take this data into consideration when determining/following our sustainability goals. In wastewater management, we fully comply with legal regulations and benefit from sectoral best practices. We conduct wastewater analyses annually to cover pollutant load amounts such as chemical oxygen demand (COD) and biochemical oxygen demand (BOD) and other legal parameters. According to the analysis results, all our parameters comply with the limit values specified

in the regulation. In the 2023 reporting period, we discharged a total of 65,884 m³ of wastewater. In addition, we carried out revision studies to increase the performance of our chemical and biological treatment.

In 2023, we saved 6,960 m³ of water and prevented wastewater generation by recycling vehicle sprinkler test area water.

This process, completed with an investment of approximately 4.5 million TRY, significantly improved wastewater treatment efficiency and capacity.

Thanks to our regular monitoring and reporting mechanisms, we continuously improve water quality and wastewater management and observe our responsibility towards the environment. We will continue to improve our performance in water and wastewater management with such infrastructure works and efficiency projects in the upcoming reporting periods.



Vehicle Sprinkler Test Area Recirculation System

We have made our processes more efficient with the recirculation system integration we have implemented in our sprinkler test area. Before the integration of the system, we were using 40 m³ of water for a vehicle test and discharging this water into the wastewater channel. In addition, a 6-hour waiting period had to be completed for the next test. With the new system, we achieved a significant improvement in water consumption by using only 4 m³ of water for a vehicle test and completely prevented wastewater formation by recycling the used water into the tank. Thanks to this technological transformation, we have also optimized our test times and reached the capacity to test 87 vehicles in 7 days.



Energy Management and Use of Renewable Energy Resources

As Koluman Automotive Industry, we prioritize the efficient use of resources and support of environmental sustainability by exhibiting innovative approaches in energy management. We work to increase energy efficiency, reduce energy consumption and expand the use of renewable energy in all our operations.

At every stage of our activities, we evaluate energy and fuel consumption from a life cycle perspective; we prioritize energy efficiency in all areas from purchasing processes to production operations, from investment projects to daily activities. We reference our ISO 50001 Energy Management System and Integrated Management Systems Policy in our processes.

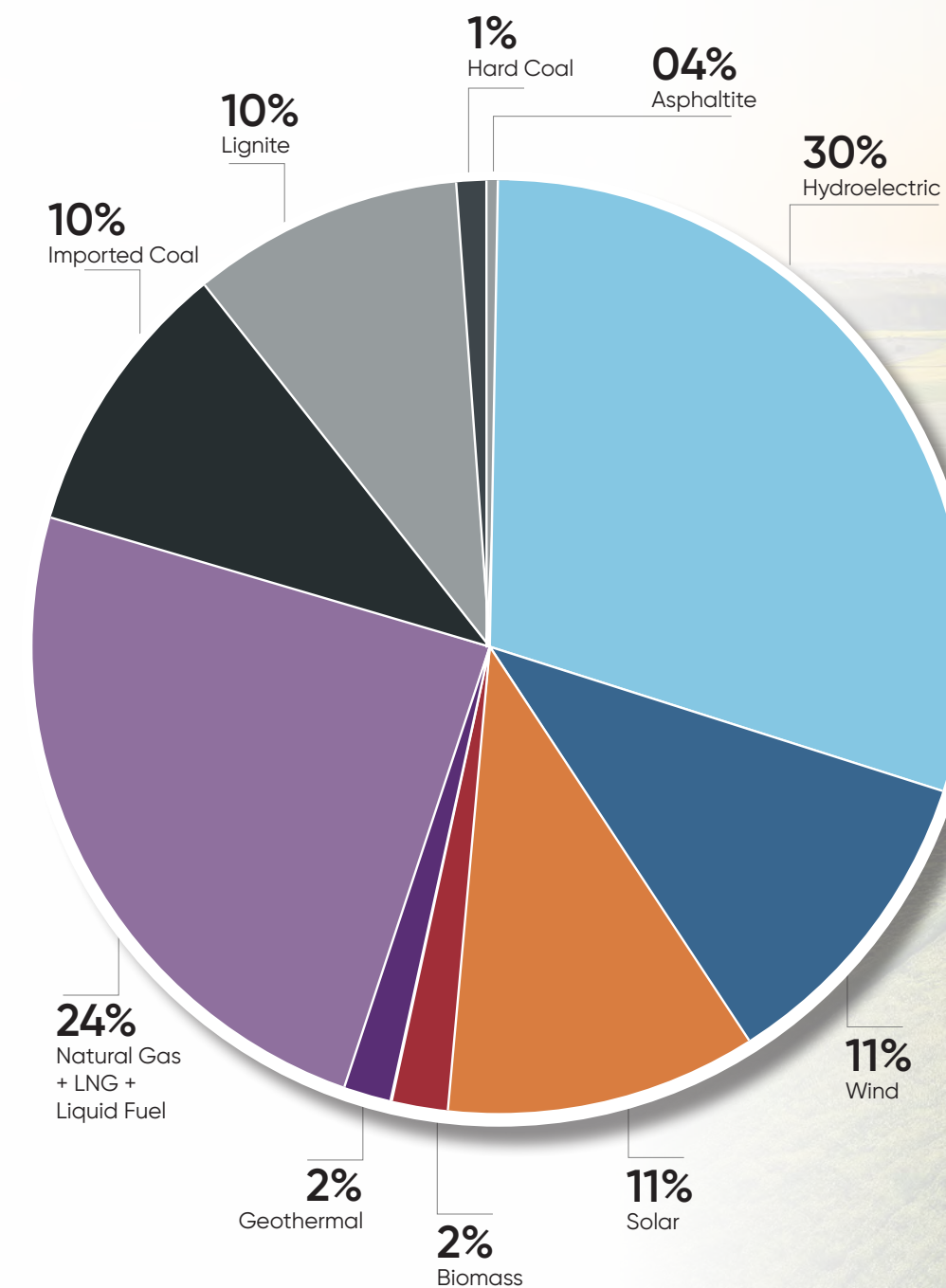
As Koluman Automotive Industry, we consumed a total of 11,372,153 kWh of electricity throughout 2023. We met all of our electricity consumption from renewable energy sources. In addition, we keep 8 generators ready to be activated in cases such as power outages. Our energy consumption portfolio used 928,910 m³ of natural gas, 191,817 liters of diesel and 9,270 kg of propane. Diesel consumption was spent for the operations of company vehicles and forklifts as well as generators.

As Koluman Automotive Industry, we prioritize the efficient use of resources and support of environmental sustainability by exhibiting innovative approaches in energy management. We work to increase energy efficiency, reduce energy consumption and expand the use of renewable energy in all our operations.

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According to the 2023 report of the Shura Energy Transformation Center; The share of renewable energy in total installed power increased to 55% by the end of 2023. In addition, Türkiye's total installed power capacity is 106.7 GW as of the end of 2023.



We are working to expand the use of renewable energy and accelerate renewable energy investments in a way that supports our sustainability strategy and long-term climate goals.

Energy Saving and Efficiency Projects



Daylight Utilization Project

Within the scope of this project, a comprehensive renovation was carried out on the roof in order to increase the energy efficiency of the building. The insulation of the roof was strengthened and the number of skylight panels on the roof was increased. This innovation allowed the interior spaces to benefit from natural daylight to the maximum extent and reduced the dependency on electric lighting.

Optimization of Lighting Fixtures

Regional optimization was carried out in lighting systems in line with energy management strategies. With the new system, separate switches were activated for each section and only the required areas were illuminated. This change made energy use in operational processes more efficient.

Activation of Solar Panels

Within the scope of this project carried out to increase the use of renewable energy, the installation infrastructure of solar panels has been improved and activated.

Improvement of KTL Baking Process

A comprehensive improvement study has been carried out in the KTL baking process in order to reduce energy density. Baking times have been shortened and a significant decrease in energy consumption has been achieved.

Driver Comfort Supported by Renewable Energy and Sustainability

In order to increase the comfort of our drivers and to provide sustainable solutions to the needs of the logistics sector, we have integrated refrigerated food storage cabinets into our trailers. In traditional uninsulated cabinets, the risk of food spoilage was high in hot weather. This innovative system, which works with solar energy panels, provides energy efficiency while preserving the freshness of food by performing the cooling process in an environmentally friendly manner. This system was nominated for the innovation awards at the IAA Transportation Hannover Fair with its innovative structure.



Circular Economy and Waste Management

In line with our Integrated Management Systems Policy, we carry out comprehensive studies to minimize waste, separate waste at source and direct it to recycling and recovery processes, and prevent environmental pollution. In line with these commitments, we regularly monitor our waste management performance and develop sustainable solutions by making improvements, especially in our operational processes where waste generation is intense.

We fulfill our environmental responsibility with effective strategies in waste management.

Our waste management data for 2022 and 2023 are as follows:

Waste Management (tons)	2022	2023
Amount of Waste Going to Landfill/Solid Waste	165	256
Amount of Other Waste Disposed of (Medical Waste)	0.006	0.016
Amount of Hazardous Waste Recycled/Recovered	165	256
Amount of Non-Hazardous Waste Recycled/Recovered	2,409	2,786

Our hazardous wastes include waste paint and varnish containing organic solvents, printing toners, sludge, filter cakes, oil waste, contaminated wastes and sludges originating from industrial wastewater treatment. We also manage various hazardous wastes such as antifreeze liquids and inorganic wastes containing hazardous substances. Our non-hazardous wastes consist of materials such as paper, plastic, glass, metal and wood, and all these wastes are sent to licensed recycling and disposal companies to minimize negative impacts on the environment.

We manage our waste management activities within the framework of circular economy principles and zero waste approach. All our processes are carried out in accordance with legal regulations such as Waste Management Regulation and Zero Waste Regulation. By adopting circular economy business models, we develop innovative methods for the recycling of waste into the economy and more efficient use of resources, and create sustainable business models within this scope.

We integrate circular economy principles into our operations.



Within the framework of our policies and goals, we continue our efforts to separate, recycle and recover waste at source. In addition, we organize various training and awareness programs to increase our employees' awareness of waste management. In this way, we ensure that sustainable waste management practices are adopted and effectively implemented. We carry out various activities regarding waste reduction to minimize our impact on the environment.



Preventing Single-Use Plastics

We have implemented various practices in our facility to reduce and prevent the use of single-use plastics. In line with this, we have ended the use of single-use and non-recyclable paper cups and distributed reusable cups to our employees.

In addition, we recycle plastic waste such as bags and sacks resulting from production processes in our on-site logistics and material distribution processes. These good practices for reducing single-use plastics support waste reduction in line with circular economy principles and contribute to our sustainability goals focused on zero waste.



Reuse of Wood Waste

As Koluman Automotive Industry, we effectively evaluate wooden transportation packaging from suppliers in logistics and material preparation-transportation processes in order to encourage reuse. These packagings are reused in the shipment of products shipped from the facility.

We started to manage wooden pallets used in the transportation of axles supplied for vehicle production with a deposit system as of 2023. Wooden pallets returned to supplier companies are reused. This practice also makes a significant contribution to reducing the amount of waste. These good practices focused on reuse also strengthen the circular economy business model approach.



Donating Surplus Food from the Cafeteria to Tarsus Animal Shelter

With our “Donation of Leftover Food from the Cafeteria to Tarsus Animal Shelter” project, which we started in 2023, we aimed to support the animals in the shelter by evaluating the leftover food in our cafeteria. In this way, we contributed to the feeding of the dogs in the Tarsus Animal Shelter without wasting the leftover food. Our project supports zero waste goals by preventing food waste.



Electronic Waste Collection Campaign

In 2023, we launched an electronic waste collection campaign. As part of our campaign, we regularly collected electronic waste generated in our factory and brought from our employees' homes, and obtained 0.740 tons of electronic waste. We contributed to education support programs by donating this waste to the Turkish Education Volunteers Foundation (TEGV). This good practice, which encourages the recycling of electronic waste and turns it into social benefit, has become a project that brings together our environmental sustainability and social responsibility approach.



By donating our electronic waste, we contributed to environmental protection and supported education.

Protection of Biodiversity

As Koluman Automotive Industry, we prioritize the protection of biodiversity, stopping the loss of biodiversity and implementing practices that are compatible with nature. In our work, we focus on protecting and supporting local ecosystems and sustainably managing the natural balance.

We prioritize the diversity of flora and fauna in all our activities to protect biodiversity. It has been determined through Environmental Impact Assessment (EIA) processes and EIA reports that we do not have a negative impact on the natural ecosystem and that we are not subject to any legal obligations.

The Koluman Automotive Industry factory area is located away from sensitive areas in terms of biodiversity and is approximately 25 km away from the nearest protected area, Kazanlı Sahil.⁵

In addition, our factory area has currently been declared a Special Industrial Zone by the Presidential Decree. There are various agricultural lands around the factory area. We do not limit our approach to the protection of

biodiversity to the fulfillment of legal requirements, but also strengthen it with voluntary projects that will increase environmental awareness and support ecosystems. We will continue our biodiversity-focused projects and practices in the upcoming reporting periods. We will develop environmentally friendly solutions with approaches inspired by nature such as biomimicry, adopt a growth model compatible with nature, and offer innovative methods that allow ecosystems to renew themselves.

We support natural life and contribute to the ecosystem with the "Conversion of Wood Waste into Bird Nests" and "Caretta Caretta Habitat Support" projects that we launched in 2023.

Our Biodiversity-Oriented Projects and Good Practices



"A Sapling for Every Employee" Campaign

As part of our campaign, the sapling planting activities we carry out regularly every year contribute to the improvement of nature and the increase of environmental awareness among our employees. This campaign also allows us to make a sense of responsibility integrated with nature a culture. Thanks to these works we carry out for the renewal, strengthening of the forest ecosystem and the prevention of deforestation, we protect natural resources and reduce the impact of our processes on nature.



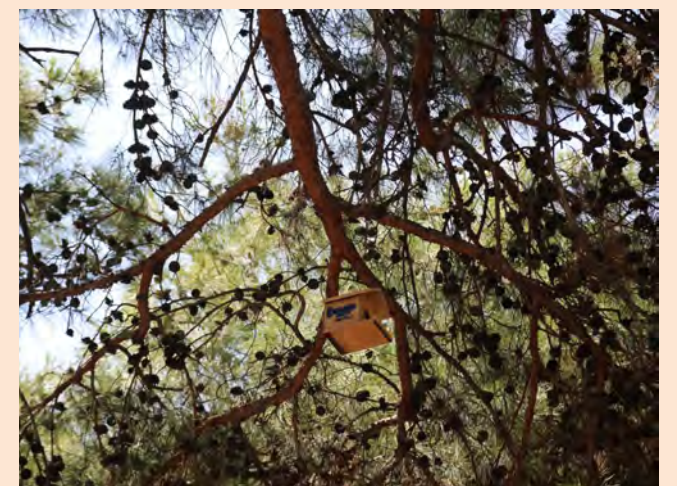
Mersin Kazanlı Beach Cleaning - Caretta Caretta Habitat Support

In June 2023, we carried out a beach cleaning on Mersin Kazanlı Beach to protect the nesting areas of Caretta Caretta sea turtles. This project, implemented with the voluntary participation of our employees, made a significant contribution to the protection of local biodiversity.



Transformation of Wooden Waste into Bird Nests

Wooden waste generated in our facilities was transformed into bird nests with the UpCycle method and found a valuable area of use. Within the scope of this project that we carried out with Mersin Nature Conservation and National Parks Directorate, the produced bird nests were placed in national parks and protected areas. With this project, as Koluman Automotive Industry, we supported the reuse of waste and biodiversity. Our project was awarded with a plaque as a successful application.



⁵ (<https://www.keybiodiversityareas.org/kba-data>)

CREATING VALUE FOR PEOPLE AND SOCIETY



Protection of Human Rights

As Koluman Automotive Industry, we base our protection of human rights on the Human Resources Procedure, Atlas of Values Booklet, and Corporate Ethical Management Principles. Thanks to our human-focused practices, we aim to fully comply with the International Labor Organization (ILO) Standards, the United Nations Universal Declaration of Human Rights, and other national and international human rights approaches.

We prioritize the protection of human rights and show zero tolerance to human rights violations.

As Koluman Automotive Industry, we protect the rights of our employees, offer equal opportunities and provide a safe working environment within the framework of our human resources procedures. These procedures approved by our senior management cover our employees as well as our suppliers, customers and business partners.

As stated in our Corporate Ethical Management Principles, Koluman Automotive Industry employees do not engage in any actions that violate human rights and always treat their colleagues, customers and other business partners with respect. Discrimination is unacceptable at Koluman Automotive Industry. This principle is equally valid for basic human rights as well as gender equality,

prevention of child labor and protection of vulnerable groups. We aim to provide equal opportunities to everyone in recruitment processes and act with the awareness that differences will provide us with a sustainable competitive advantage. At Koluman Automotive Industry, everyone has the right to work in a peaceful, safe and positive environment. Behaviors such as harassment, violence, bullying, psychological harassment, mobbing and intimidation are absolutely unacceptable. Those who are exposed to such behaviors or witness such behaviors are expected to immediately forward the issue to the ethics reporting line. As stated in our Corporate Ethical Management Principles, Koluman Automotive Industry employees do not engage in any actions that violate human rights and always treat their colleagues, customers and other business partners with respect. Discrimination is unacceptable at Koluman Automotive Industry. This principle is equally valid for basic human rights, gender equality, prevention of child labor and protection of vulnerable groups. We aim to provide equal opportunities to everyone in recruitment processes and act with the awareness that differences will provide us with a sustainable competitive advantage. At Koluman Automotive Industry, everyone has the right to work in a peaceful, safe and positive environment. Behaviors such as harassment, violence, bullying, psychological harassment, mobbing and intimidation are absolutely unacceptable. Those who are exposed to such behaviors or witness such behaviors are

expected to immediately forward the issue to the ethics reporting line.

As a reflection of the value we give to people, we are proud to win the Respect for People Award given by Kariyer.net in 2022 and 2023.

We will continue to make positive contributions to society and the world in future reporting periods; we will continue our efforts to protect human rights and develop inclusive practices.

Fringe Benefits and Remuneration Approach

With our human resources procedure, we define the responsibilities, rights, obligations, working conditions and statutory rights of our employees. Thus, we aim to provide a harmonious and productive working environment in the workplace.

We support the motivation of our employees with fair compensation and extensive fringe benefits.

We guarantee our fringe benefits and compensation approach with our human resources procedure, and define all processes from applications aimed at

employee motivation to the determination of salary increase rates in our relevant procedure.

We attach importance to job evaluation studies in our compensation management and update these studies in accordance with market standards, implementing a fair compensation system based on performance. Our standard starting level wages are 130% for blue collar employees and 240% for white collar employees according to the minimum wage.

We offer various fringe benefits such as food, transportation and health insurance to all our employees, and provide flexible working hours and the opportunity to work from home depending on the position for our white-collar employees.

Our fringe benefits aim to support our employees' work-life balance and increase their overall quality of life. We provide dietician services with our employee support program and organize social activities such as table tennis, table football, darts and basketball at our workplace. We also provide special social rights such as annual leave allowance, bonus, holiday allowance, military service and marriage benefits to our blue-collar employees; child support and educational benefits that support their children's education. In addition to legal permissions regarding maternity and parental leave, we offer additional benefits such as maternity and child support to our blue-collar employees in order to support our employees even more. With these practices, we aim to support our employees and keep their satisfaction and motivation at the highest level.

Employee Health and Safety

We carry out our practices regarding employee health and safety within the framework of the Occupational Health and Safety Law No. 6331, Integrated Management Systems Policy and Occupational Health and Safety (OHS) procedures. Our Integrated Management Systems Policy is easily accessible from our online platforms and factory work areas, and our ISO 45001 Occupational Health and Safety Management System covers all our employees and all our activities.

We present our policy commitments to reduce occupational health and safety risks by eliminating hazards in our workplace, preventing injuries and deterioration of the health of our employees and other stakeholders, and taking care to provide safe and healthy working conditions. We fully comply with national and international OHS standards and legal regulations. While our occupational health and safety decisions are handled at the Board of Directors level, we also report our progress to the senior management through our Human Resources Department.

In 2023, we allocated a budget of approximately 2.7 million TRY to OHS issues.

In the risk assessments we conducted using the Fine-Kinney method, we analyzed a total of 1,645 risks in 19 different departments on a job basis. We created safe work areas by reducing the vast majority of these risks to acceptable levels. Our risk assessment and mapping processes within the scope of OHS included topics such as ergonomics, chemical safety, falling from heights, vehicle traffic and emergencies.



Risk Hunt Project

With our "Risk Hunt" project, which we launched in 2023, we aimed to increase our awareness of occupational health and safety. In this one-day event, we identified and evaluated the risks previously left in a certain area one by one. In this way, we better observed the sources and dangerous situations that create danger in our workplace. This project, which we carried out with the participation of all our team members, strengthened our risk perception, made potential dangers more obvious in our work environment and reinforced our safety culture.

We have 6 OHS Boards consisting of 23 people representing all our employees. Within the scope of legal compliance, we are required to hold a Board every 2 months. As Koluman Automotive Industry, we organize our OHS Board every month with the importance we attach to OHS. In 2023, the annual training plan, the risk of falling from heights and emergency management, which the February 6 earthquakes reminded us of, were on the Board agenda. There is also an employee representative who conveys the demands and suggestions of our employees to the OHS Board. We have a committee affiliated to our OHS Board and a subcommittee determined for the effective follow-up of OHS issues. Our committees report the non-conformities they detect in the field and bring the unresolved issues to the OHS Board.

We regularly monitor our occupational health and safety performance and analyze our performance indicators in detail. In 2023, occupational accidents such as hand-finger cuts and foreign object in the eye were among the most common types of occupational accidents. A total of 66 occupational accidents were recorded during this period, 22 of which resulted in lost days. A total of 634 working days were lost as a result of these accidents. During the reporting period, our lost-day occupational accident severity rate was recorded as 0.28; our lost-time occupational accident frequency rate was recorded as 11.48.

We adopt a proactive approach to prevent possible occupational accidents. For this reason, we have created near-miss notification points as QR codes on factory SFM boards and in certain areas. Employees can report near-miss incidents they experience and/or witness by scanning the QR code. In 2023, 12 near-miss notifications were made and action plans were put into effect for each.





Near-Miss Notification Project

With our “Near-Miss Notification” project, we aimed to proactively manage potential work accidents by placing QR codes in designated areas within the factory. Thanks to this work, our employees were able to easily detect and record potential dangerous moments. The application strengthened the safety culture in our workplace and prevented potential work accidents.



OHS Theater

In 2023, an OHS-themed theater performance was organized to strengthen the occupational health and safety culture and raise awareness across the organization. The performance effectively highlighted workplace risks and delivered impactful messages encouraging safe behaviors. Following the event, a notable decrease in accident frequency rates was observed, along with a significant improvement in employees’ awareness of occupational safety.



EKED (LOTO) Project

The EKED (LOTO) project, which we implemented in 2022, is an important project we designed to control hazardous energy and ensure the safe use of machines. With this study, we aimed to effectively control energy resources in order to prevent accidents that may occur during maintenance and repair activities. As a result of the project, no energy-related accidents occurred during maintenance work and the processes were secured.



We have planned a total of 691 corrective actions on critical issues such as preventing falls from heights, using PPE (personal protective equipment), using hand tools safely and working safely with chemicals. We focus on identifying the main sources of hazards and eliminating recurring risk elements with an approach based on root cause analysis. These planned activities are carried out with the participation of all our relevant stakeholders and also contribute to the strengthening of the safety culture in the field.



Mobile Lifeline Project

Within the scope of our “Mobile Lifeline” project, we have taken an important step towards increasing the safety of working at heights. Within the scope of this project, we have minimized the risk of falling in our operations by supplying two mobile lifelines to be used in works carried out at heights.



OHS Captain Project

With our “OSH Captain” project, we aimed to increase occupational safety awareness throughout the year. Within the scope of our project, we encouraged our blue- and white-collar employees to contribute to occupational safety. While doing their jobs, our captains also detected irregularities and unsafe situations in the work area and raised awareness among their teammates. This project, which we implemented with the participation of all our employees, increased occupational safety responsibility awareness and strengthened communication within the team.

Within the scope of our workplace health practices, 74 employees with first aid certificates, one ambulance, one workplace physician and three Emergency Medical Technicians (EMT) work in our factory. We carry out our periodic health inspections once a year for all our employees and once every three months in areas with special risks (paint shop, tea house, etc.). We also attach importance to awareness-raising activities regarding ergonomic risks that we identify in our risk analyses.

We include information about ergonomics in Kaizen studies. We ensure that load handling operations are carried out safely with 55 overhead cranes in our factory and provide personal protective equipment (PPE) documented with the matrix method for the use of our employees. In addition, the risk of occupational disease has also been evaluated within the scope of our occupational health analyses. We do not have any employees with a high risk of occupational disease or diagnosed with an occupational disease.

We carry out training activities to increase our awareness of OHS issues and to spread the OHS culture throughout the company. 937 employees

participated in our OHS trainings in 2023. In 2023, we conducted all training remotely and provided 6.3 person*hours of training per employee.

We also monitor the OHS performance of our subcontractor employees. All of our subcontractor employees cannot enter the factory site without completing their legal documents. A comprehensive work permit process is implemented before starting work. Permit processes cover critical areas such as hot and fiery work, working at heights and working in closed areas, and guarantee safe working conditions. In addition, a total of 6 of our subcontractor employees had a work

accident in 2023. After each incident, action plans were created based on root cause analysis in order to prevent recurrence of the incidents.

In order to ensure that our subcontractor employees act in accordance with Koluman Automotive Industry OHS procedures, we organize systematic and comprehensive OHS trainings. In 2023, we provided trainings, each lasting approximately 2 hours, to a total of 1,046 subcontractor employees. With these trainings, we aimed to increase the occupational health and safety awareness of our subcontractor employees and strengthen compliance in the field.



Inclusion, Diversity and Equality

We believe that creating an environment where each individual's unique experiences and perspectives are valued in the workplace increases innovation, strengthens our corporate success and the sphere of influence we create. In line with this vision, we have transformed our human resources strategies into a more inclusive structure and aimed to provide equal opportunities to our employees. As emphasized in the World Economic Forum's 2023 Global Risks Report, increasing inequality and social injustice are considered one of the biggest risks of the future.

As Koluman Automotive Industry, we adopt ethical, transparent and non-discriminatory practices in our recruitment processes in order to create a work environment that supports diversity and inclusivity.

We offer a peaceful, safe and positive work environment with our human resources approach that prioritizes the physical and psychological well-being of our employees.

In accordance with our ethical principles, we respect human rights and always value the opinions of all our stakeholders. At Koluman Automotive Industry, we do not accept discrimination in any way. With this determination, we also aim to observe basic human rights, provide equal opportunities and protect vulnerable groups. We know that this approach particularly supports our social sustainability perspective and we shape our practices within this framework. Thus, we improve the corporate culture in this direction and value equality, diversity and inclusiveness at every stage of our operations.

Gender Equality

In order to contribute to the global gender equality goals determined by UN Women, we actively support women's participation in business life and their career development. In this context, we review and continuously improve our human resources practices in order to ensure equal opportunities, allow for greater representation of women in management positions, and make our workforce more inclusive.

We believe that increasing both individual and institutional awareness is critical for women to have a stronger presence in the business world. In order to support the career development of our female employees, we contribute to training and planning processes where they can develop their skills. With this approach, we determine that policies that promote gender equality create a transformative effect in the business world and society as a whole. At the same time, we know that these efforts, which serve the "Gender Equality" goal number 5 of the Sustainable Development Goals (SDGs), will contribute to the creation of a more inclusive future. With this understanding, we attach importance to the dissemination of egalitarian approaches and the stronger adoption of these goals among all stakeholders.

We contribute to gender equality by supporting women's strong participation in the business world.



Employee Loyalty, Satisfaction and Feedback



*Our employee
satisfaction and
engagement scores are*
77.

Employee engagement and satisfaction are parameters that we follow with great care for the well-being of our employees and the continuity of our success. Our company culture is based on ensuring that our employees feel valued at work and keeping their work motivation at the highest level. We manage our employee engagement, satisfaction and feedback processes and employee motivation practices with our human resources procedures.

We regularly conduct employee satisfaction and loyalty surveys in order to measure the effectiveness of our processes and make strategic improvements in light of the data we obtain. In 2023, the participation rate in our employee satisfaction and engagement surveys was 89% and the number of employees participating in the survey reached 760.

We work to increase the qualifications of our employees by recognizing the importance of healthy working conditions and the environment on motivation, productivity and health. We ensure the participation of our employees in continuous improvement activities with the "Round Table", "Kaizen" and "Awareness Test" applications carried out within the company and we include their valuable opinions in business processes.

Our employees' suggestions are of great importance in terms of improving our processes and contributing to our company's continuous development culture. We actively use our Kaizen system, which is open to our employees' suggestions, to support our suggestion collection and evaluation processes.

In 2023, we collected a total of 733 suggestions through the Kaizen system and implemented all of the suggestions.

Among our mechanisms through which our employees can convey their complaints and feedback on human resources issues are regular events such as Monthly Team Leader Meetings, HR Meetings and Get Together Meetings. These meetings provide an environment where ideas can be shared freely and allow us to develop solution-oriented approaches to processes. Additionally, we can submit our complaints and suggestions through the ethics notification line, ensuring confidentiality. This system promotes transparency by forwarding reports to our senior management and Ethics Compliance Officer. The Ethics Committee within our company also supports this process, contributing to the creation of a fair working environment. Our company holds quarterly Townhall meetings, where the results of the past three months are evaluated and shared with the management team, and plans for the upcoming quarter are reviewed.



We made a big impact with our family day and New Year's Eve events that we launched in 2023 to increase the motivation of our employees and strengthen their sense of belonging. Thanks to these events, our employees had the opportunity to bond with each other outside of work while having a pleasant time with their families. With this project, whose positive effects on the work environment we observed, our employees' loyalty and motivation increased and our company culture became stronger.

Recruitment Processes and Internship Opportunities

A total of 387 new employees, 32 women and 355 men, joined us in 2023.

As Koluman Automotive Industry, we manage our recruitment processes within the framework of our recruitment procedure. We design our recruitment processes to gain employees who will best fulfill the requirements of the position and who can continuously increase their contribution by adapting to the dynamic structure of our company. In these processes, we prioritize transparent and ethical methods and recruit without discrimination in line with equal opportunities. We accept applications through our website and Kariyer.net. Together with our Human Resources and relevant departments, we hold interviews where we evaluate the candidates' competencies, compliance with the corporate culture and technical competencies. Our announced job openings are published on the company's social media platforms, including LinkedIn and similar channels.

In 2023, we accepted applications for a total of 313 employees.

We offer internship programs to contribute to the development of a qualified workforce and to enable students to experience the theoretical knowledge they have acquired in practice. Thanks to these programs, we have the opportunity to evaluate our successful interns for positions that may arise in the future.



Education, Development, Talent and Career Management

Employee Education and Development

As Koluman Automotive Industry, we align company and individual goals with our investments in the development of our employees. We implement training programs that aim to continuously develop the talents of our employees. As Koluman Automotive Industry, we offer our employees training programs focused on both personal and professional development. With these programs, we aim to increase the professional skills and personal competencies of our employees. We manage our training and development activities within the framework of our Human Resources Procedure and Training Procedure.

We see our training and development activities as an important part of our strategic management approach. In this context, we offer comprehensive programs for employee training throughout Koluman Automotive Industry in line with the targets we determine each year in an integrated manner with the company strategy.

***In 2023, we
 conducted
 a total of
 15,881 hours of
 training.***



As part of our training programs, we provided a total of 15,881 hours of training to our employees throughout the year and provided an average of 17.19 hours of training per employee per year. With all these training activities, we aim to support our employees' performance, long-term career development, realization of their talents, and the sustainable success of our company. With our training and development investments, we inspire the future by creating a more equipped, conscious, and competent workforce.

Talent Management and Performance Evaluation

As Koluman Automotive Industry, we aim to create an environment that encourages our teams to do the best with our talent management and performance evaluation processes. These processes are based on identifying our potential leaders, planning their career paths, supporting the strengths of our employees, and evaluating their performance with objective criteria.

We carry out our career planning and talent management processes within the framework of our Human Resources Procedure, Training Procedure, and Performance Evaluation Procedure. In these processes, we offer detailed programs and practices to ensure that our employees plan their career paths and develop their talents. In 2023, we carried out specially designed training programs for our team leaders and unit managers. In this context, we aimed to increase the effectiveness of our leaders in the work environment with development-oriented trainings such as Communication Training, Conflict Resolution and Negotiation Techniques Training, and Emotional Intelligence-Based Relationship Management Training. In addition, we enabled our employees to develop their leadership competencies through Feedback Receiving and Giving Training and Orientation and Coaching Trainings.

We implement a comprehensive performance evaluation system based on goals and competencies determined depending on the job, aiming to create an effective communication and trust environment between managers and employees. The system aims to increase the overall performance of the company by directing the talents of management and employees to a common goal, to determine individual performance targets compatible with company goals, to evaluate the potential of employees, to appreciate their strengths and to determine training needs for development areas.

We carry out our performance evaluation processes digitally on the KOE Intranet platform in line with our Performance Evaluation Procedure. These processes, which include all our employees with a transparent and inclusive approach, are carried out at regular intervals. As of 2023, 38 of our employees have been promoted as a result of these evaluations and have taken an important step in their career journeys. We will continue to develop this structure and support the competencies and career development of our employees.

Volunteer Activities

As an institution integrated with society, we attach great importance to social responsibility projects and volunteering activities. In 2023, we diversified our volunteering activities in order to increase our employees' social responsibility awareness and ensure that they establish stronger ties with society. By organizing various social responsibility projects and volunteering events, we ensured that our employees participate in projects for the benefit of society and use their individual competencies in different areas. In this context, different groups such as our Green Team and Music Club made contributions in a wide range of areas from environmental sustainability to social events.

In 2023, we organized trainings for the early diagnosis of breast cancer and raised awareness, strengthened social solidarity by collaborating with Lösev Dükkan, and drew attention to the importance of blood donation by participating in Kızılay blood donation events. In order to support biodiversity, we carried out projects that both had high environmental impact and supported social sustainability, such as making bird nests from waste, sending food from our cafeteria to animal shelters, and beach cleaning events. We also included the relatives of our employees in these processes by organizing painting competitions on OHS and the environment for the children of our employees. All these volunteer activities strengthened the sense of belonging of our employees and made valuable contributions to the society.

Social Impact Projects

As Koluman Automotive Industry, we act with awareness of our responsibilities to society and the environment and adopt a sustainable approach. Our Integrated Management Systems Policy, which covers all our processes, also supports our social responsibility activities. In this way, we work for a better future by blending our economic activities with social benefit.



Volunteer Activities

Empowering Youth Through Education and Professional Development

With the aim of raising future leaders, we offer various education and development opportunities to support young talents and bring them into our sector. We contribute to young people establishing a solid foundation for their careers with technical education programs and internship opportunities.



KOExperience Project

With the “KOExperience Project” that we launched in 2021, we offer long-term internship opportunities to university students in our facilities and provide job opportunities after the internship. With this project, we support new graduates to gain professional experience, develop their skills and adapt quickly to business life. We ensure that young people have a strong start in the sector. With the project, we successfully continue our aim of adding value to the career journeys of new graduates and increasing their employment opportunities.

To support the professional development of young people, we implement studies such as the “KOExperience Project.”

To support the professional development of young people and help them prepare for the workforce with greater competence, we implement innovative initiatives such as the “KOExperience Project.” This program enables young participants to apply the theoretical knowledge they have gained during their education in a real work environment. Participants have the opportunity to experience the dynamics of professional life, laying a strong foundation for their careers. Through hands-on training and mentoring programs, we support participants’ personal and professional growth. This approach equips young people with the skills and competencies needed by the industry, providing them with the opportunity to join the workforce as qualified professionals. In doing so, we not only contribute to the development of young people but also play a vital role in preparing our industry for an innovative, sustainable, and competitive future.

Social Campaigns and Volunteer Programs

We take an active role in social aid projects to increase the welfare of local communities. We organize aid campaigns and volunteer programs for those in need. We collaborate with civil society organizations and aim to create a positive impact by touching society. In this context, we develop programs that encourage our employees to participate in our social aid activities.



Food Donation to Tarsus Animal Shelter

We support the culture of social aid and solidarity by donating leftover food from our cafeteria to Tarsus Animal Shelter. Thanks to this project that strengthens our sense of sharing and responsibility, we meet the nutritional needs of animals and strengthen our social impact.

Celebrations of the 100th Anniversary of our Republic

The 100th anniversary of our Republic was celebrated with great pride and enthusiasm for our employees and our entire country. The events organized in our factory area were the most meaningful indicators of our respect for our common history and values.

The program began with a moment of silence and the National Anthem held in our area where our flag was proudly waved. While speeches, marches and various events were organized as part of the celebrations, our employees celebrated this meaningful day with a spirit of unity and solidarity. The content reminding us of the achievements of our Republic in the event area created in the factory area attracted great attention. While we celebrated this historic day together, we once again embraced the heritage of freedom and modernity that our Republic has offered us. As Koluman Automotive Industry, we will continue to work to carry the 100-year success story of our Republic even further.



EARTHQUAKE MANAGEMENT

As Koluman Automotive Industry, we mobilized to provide aid to the earthquake-affected region.

Immediately after the major earthquake disaster centered in Kahramanmaraş, we mobilized our vehicle fleets, logistics network, production power and supply chain for both our employees in the region and the earthquake survivors. We continued our uninterrupted logistics support to ensure that basic aid supplies reached the teams and citizens.

Since our production facilities are safe structures, we provided shelter for nearly 400 of our employees, the relatives of our employees and citizens from the first day. In addition, while providing hot meals and shelter to earthquake survivors, we did not forget our furry friends.

We accelerated stove production in our production line and shipped nearly 100 outdoor stoves, as well as 2 thousand wood stoves and nearly 50 tons of fuel material that we procured from our suppliers to the region.

Our Gaziantep heavy vehicle service team, which was also a disaster survivor, continued to provide service to ambulances, aid trucks and vans from the first day. We continued our work at our locations and mobile service points in the rural areas of the region.

To minimize the impact of the disaster, we enhanced our collaboration with the Presidency of Defense Industries and provided logistical support to aid organizations using four of our trucks. We delivered essential supplies to hard-to-reach rural areas with 17 off-road vehicles.

A budget of 20 million TRY was allocated for the procurement of essential aid materials.

Additionally, we continued our operations in the earthquake-affected regions with the support of our heavy-duty service teams, external service trucks, and technicians. We also provided medical equipment support to regional hospitals. To help alleviate the effects of severe trauma, we arranged counseling services to offer psychological support to our employees.

We contributed financially to the trailer project initiated by TREDER, aimed at responding swiftly to disasters and meeting basic needs. The trailer is designed to address critical requirements such as healthcare, food, shelter, energy, and communication during emergencies like earthquakes.



We implemented positive discrimination to help earthquake victims reintegrate into the workforce and initiated an employment mobilization campaign by inviting them to apply for our open positions.

After the Earthquake Disaster Employment Mobilization!

We invite our earthquake survivors to work together in our suitable positions in order to provide them with long-term solutions and heal our wounds together.

All earthquake survivors can supply to our open positions.



With the financial aid we have provided and the other efforts we have undertaken in our areas of expertise, we recognize that this is just the beginning. The entire Koluman Automotive Industry family continues to play an active role in helping heal the deep wounds caused by the earthquake.

DESIGNING THE PRODUCTS OF THE FUTURE WITH INNOVATIVE SOLUTIONS



Innovation and Digitalization

A radical transformation continues in the development of digitalization and completeness with connected, safe and sustainable vehicles of the future in our sector. This transformation process; Economic development strategies such as energy efficiency, reducing carbon footprint and sustainable material use are being developed.

New technologies are redefining both production processes and market dynamics.

The vehicles of the future are becoming smart systems that transform the user experience of being a mere means of transportation. Electric and connected vehicles aim to provide a safe and efficient driving experience while minimizing activity effects. However, the development of interconnected and autonomous systems necessitates high-partner supported security systems in data sharing. Equipping autonomous vehicles with artificial intelligence-supported systems that can perceive their surroundings and the driver's travel ability leads the mobility of the future. Developing communication technologies enable vehicles to communicate more intelligently with both their driving and their surroundings. Wireless data sharing offers a wide range of solutions from security to entertainment. These technologies make the mobility experience more comfortable and personalized, while increasing long distances and offering solutions suitable for user life.

Improving battery supply and recycling processes, optimizing energy consumption and reducing carbon emissions are among the most important innovation and digitalization focal points in the sector. Strengthening the charging infrastructure and integration with renewable energy sources ensure that these goals are achieved sustainably.

As Koluman Automotive Industry, we offer dynamic and flexible solutions to the changing needs of our customers with projects that increase performance, especially in heavy vehicle and trailer solutions, while maximizing operational efficiency. By taking advantage of our high engineering competencies and digital simulation techniques, we reshape both our product designs and production processes with the power of innovation.

Our aerodynamic trailer designs stand out as an innovative solution that we have developed to increase efficiency in the rapidly changing logistics sector. Within the scope of these projects, we have developed designs that minimize energy losses caused by aerodynamic resistance.

autonomous systems developed for road sweepers are supported by advanced technologies such as radar, lidar and GPS and equipped with functions such as driverless route tracking, operational optimization and real-time performance monitoring.

In our work on optimizing mechanical systems, we aim to both increase product durability and reduce operational costs. For example, while simplifying power transmission mechanisms with the innovations we have implemented in fan designs, we have increased standardization and quality by reducing the number of parts in production processes. With these projects, we have provided solutions suitable for user needs and provided rapid adaptation ability in production processes.



We transform our product and production processes with innovation through advanced engineering and digital simulation techniques.

These models that we have optimized have provided a significant increase in performance in long-distance transportation operations. In addition, we have added flexibility to logistics processes thanks to our modular structure and demountable chassis trailer design.

Within the framework of our autonomous technology projects, our

With our digitalization-focused projects, we continue to direct changes in the sector and offer innovative, effective solutions to our customers. In each of our works, we reflect the power of digitalization and innovation in our operational processes while taking our product and service quality to the highest level.

R&D Center

As Koluman Automotive Industry, we support our vision of guiding our sector with a strong R&D infrastructure. Our R&D Center, where 138 expert employees work, increases customer satisfaction with new product development and technological innovations, while facilitating our access to global markets. Thanks to this strategic approach, we also achieve significant gains in our export volume.

In 2023, we allocated a budget of 140 million TRY for R&D and innovation.

In 2023, we aimed to increase our competitive power in the sector by allocating a budget of 140 million TRY for R&D and innovation processes. We continued our comprehensive mechanisms such as master’s and doctoral programs, reward incentive systems, scientific publication preparation opportunities and collaborations with universities to encourage the active participation of our employees in these processes.

By adopting the open innovation approach, we work on joint patent applications and projects with both in-house teams and other legal entities. In this context, we produce innovative solutions by strengthening the culture of cooperation.

There is one registered patent and 26 registered utility models in our R&D Center.

Along with our one registered patent and 26 registered utility models, the processes of our 38 patent and 34 utility model applications are ongoing. In addition, we have degrees that reveal the successes of our R&D Center.

Our R&D Ranks for 2023

- Among the Top 250 Companies According to R&D Expenditures in 2023: 109th
- Among the Top 100 According to Total Number of Employees Working in the R&D Center in 2023: 52nd
- Among the Top 50 According to Number of Design Registrations Received in the R&D Center in 2023: 23rd
- Among the Top 50 According to Number of Utility Models Received in the R&D Center in 2023: 5th

The ratio of our R&D and innovation expenses to our total income is 2.8%.

We value collaborations with universities in our R&D activities. In this regard, we have signed university-industry collaboration protocols with 13 universities and focused on concrete projects in areas such as low-carbon production and energy efficiency.

Partner Universities in Our Collaborations:

- | | |
|-----------------------------------|------------------------------------|
| 1. Çukurova University | 9. Çağ University |
| 2. Özyeğin University | 10. Mersin University |
| 3. Osmaniye Korkut Ata University | 11. Sivas University of Technology |
| 4. Tarsus University | 12. Toros University |
| 5. Istanbul Technical University | 13. Yıldız Technical University |
| 6. Adana University of Technology | |
| 7. Galatasaray University | |
| 8. Karadeniz Technical University | |

The intersections of low carbon transformation according to collaboration models among 13 universities are listed in the table below:

Çukurova University	The 'Trailer with Detachable Chassis' project, funded through TÜBİTAK's TEYDEB program, eliminated welding by using bolted assembly methods. This resulted in the complete elimination of welding gases in trailer produc-tion. A scientific publication ⁶ was also produced from the project, and course materials focusing on green transformation were developed.
Özyeğin University	A consortium was formed for V2X Platooning systems involving unmanned snowplow vehicles designed for energy efficiency, and advanced technology develop-ment studies are ongoing.
Osmaniye Korkut Ata University	Collaboration was established for the Energy Manage-ment Certification Program, a requirement of ISO 50001. Additionally, a preliminary energy efficiency as-sessment was conducted at the factory and reported to Koluman Automotive Industry by the university.
Tarsus University	Energy efficiency was achieved through aerodynamic modeling studies and CFD technical training, reducing environmental impacts as a result.
Istanbul Technical University	Active participation in events such as the Carbon Summit and support for environmental sustainability initiatives through online training.
Galatasaray University	In the R&D Center project for Türkiye's first autonomous road sweeper, artificial intelligence technologies enhancing energy efficiency were developed, with academic consultancy provided.
Çağ University	Participation in periodic Career Days and seminars, where Koluman Automotive Industry shares its activities in the low-carbon journey.
Mersin University	Two projects, 'Reducing the Effects of Welding Stress on Materials' and 'Minimizing Welding Stress on Products,' aimed to reduce welding impacts, thereby minimizing/preventing carbon emissions.

⁶ European Mechanical Science » Submission » Static Analysis of Trailers with Demountable Chassis (dergipark.org.tr)

As Koluman Automotive Industry, we will continue to make a difference in the sector by integrating our R&D and innovation investments with our sustainability goals. We will support technological innovations with strong collaborations established with universities. We will shape our goal of a more innovative and sustainable world with all our future projects.

Innovative and Sustainable Solutions

As Koluman Automotive Industry, we take on a leading role in the sector with projects focused on sustainable and innovative technologies. We continuously develop our products and infrastructure with projects that aim to minimize environmental impacts and support low carbon transformation. We care about our products and services making positive contributions to environmental sustainability. In this direction, we produce solutions that add value to our company, our sector and the environment through the R&D Center and Information Technologies projects we have implemented.

Our R&D Center Projects

Aerodynamic Trailer

In this project, we aim to increase vehicle performance and reduce fuel consumption by reducing aerodynamic drag forces. Aerodynamic resistance, which becomes important especially at high speeds, is optimized with improvements in the gaps between the truck and trailer, wheel structure and back pressure areas. The designs developed within this scope increase the efficiency of heavy vehicles over long distances while also reducing environmental impacts.

Autonomous Technologies for Road Sweepers

A road sweeper with lower engine volume, higher energy efficiency and innovative vacuum systems, which can operate completely autonomously compared to existing sweepers, has been developed. This system, which adjusts the sweeping power according to the level of road surface pollution thanks to deep learning and image processing technologies, provides emission reduction and fuel savings. Driverless route tracking can be done with radar, lidar and GPS-supported algorithms, thus offering an environmentally friendly and advanced technology solution.

Demountable Chassis Trailer

This project, which is a first in Türkiye, offers fast and flexible solutions to customer demands thanks to its modular design. This innovative design, where welding is not applied, offers a lighter structure, reduces fuel consumption and minimizes carbon emissions. Thanks to the demountable structure, logistic costs are reduced in exports, thus the product provides both economic and environmental advantages.

Reducing the Effects of Welding Stress on the Material

Scientific methods have been applied in trailer chassis in order to minimize the negative effects of welding stress on the material. A sustainable approach has been adopted with the detection and analysis of stress points, evaluation of metallurgical effects and improvement activities. Studies supported by finite element analyses have increased product durability.

Reducing Welding Applications on Products

In this project, preventing distortion due to heat input in welded parts, increasing the fatigue life of the welded structure and the effectiveness of OHS rules within the project can be listed as the root causes of the project. The project is based on changing the welding method in welded parts, reducing distortion due to heat input, increasing fatigue life, ensuring standardization, creating an institutional resource application and contributing to green transformation.

Runway Sweeper Fan Design System Development

Low fuel consumption has been achieved with the new centrifugal fan design in the sweeper systems used for airport cleaning. Offering more efficient suction and blowing performance, this system offers an environmentally friendly solution with aerodynamic design improvements. Transportation costs and carbon emissions have been reduced with the optimization of fan systems.

High-Efficiency Road Sweeper with Optimized Fan Flow with Mechanical Power Transmission

Diesel engines used in truck-mounted road sweepers consume more energy than necessary due to hydraulic losses in power transmission. In this project, the snail fan and air ducts have been redesigned in order to optimize the power transmission between the engine and the fan, thus reducing CO2 emissions and energy consumption. Carbon footprint has been reduced by using recycled plastic tanks instead of stainless-steel water tanks, and hydraulic oil consumption has been reduced by simplifying the hydraulic system. In addition, the tank dimensions have been made compatible with the container, thus minimizing transportation costs and fuel consumption.

Part Reduction or Commonization Study in Living Products

With the improvements made in product designs, the number of parts has been reduced and similar parts have been commonized. This approach reduces energy and raw material consumption in production processes, while solutions supported by scientific studies have been protected by intellectual property rights.

Reducing Chemical Product Use

An on-site examination has been conducted regarding the usage amounts of surface protection chemicals that directly affect the product life in mass-produced trailer and concrete pump products. Factors such as usage amounts of chemicals and overdose usage have been calculated and optimum requirement amount analyses have been performed. As a project output, the amount of energy used in the production of these products has been reduced by reducing the use of chemical products.

Reducing Fuel Savings in Projects Using Auxiliary Engines

In road and runway sweeping projects, which are widely used in the field of environmental cleaning, the power required for the system to operate is provided by auxiliary engines. Calculation tables have been developed to minimize the fuel consumption of auxiliary engines. The calculation table allows the selection of the lowest volume engine in auxiliary engine selection. In this way, it is also aimed to reduce pollution by selecting an engine for low fuel consumption.

With our R&D Center projects, we aim to reach a more efficient and sustainable structure by digitalizing our business processes with our Information Technologies team. In this context, we provide speed, accuracy and transparency in our processes by transferring manual processes to digital platforms and achieve efficiency in labor use.

With our technology-focused solutions, we reduce our operational burdens, increase employee satisfaction and corporate performance.

With the digitalization of shift lists, one of the projects we implemented in 2023, this process, which was carried out with weekly e-mail

traffic, began to be managed through a digital system. In this way, we simplified communication processes, reduced operational errors and our carbon footprint. In addition, we ensured error-free and transparent operation with automatic update mechanisms. In addition, by transitioning many of our processes to digital platforms, we have eliminated paper waste and contributed to environmental sustainability. This solution, developed by our Information Technologies team, has shortened processing times, making our Human Resources processes faster and more efficient.

We are creating a sustainable digitalization culture throughout the company by offering more user-friendly solutions to our employees.

As Koluman Automotive Industry, we are determined to expand our projects in line with our digitalization vision and transform our business processes into a smarter, more agile and more environmentally sensitive structure. Our Information Technologies teams create the technical infrastructure of digitalization projects and are at the center of our strategic transformation plans. We are constantly increasing the digital capacity of our company with the work we offer in key areas such as software development, network infrastructure management, cybersecurity solutions and data analytics. As Koluman Automotive Industry, we will continue to expand our digitalization projects under the leadership of our Information Technologies department and make our business processes smarter and more agile.

Value Chain Management and Communication

In line with our sustainability strategy, we aim to improve ESG performance in the value chain we have established with all our business partners. This approach requires transparency, traceability and effective cooperation in all processes from production to consumption. By prioritizing sustainability criteria in each link of our value chain, we aim to both minimize risks and create long-term value.

In this process, starting with our suppliers, we carry out special programs for the adoption of environmental responsibility standards. While our supplier evaluation processes are based on compliance with these criteria, we guide them with training to increase their sustainability performance.

In our customer relations, we adopt innovative communication methods to bring sustainability to wider audiences. We analyze the environmental impacts of our products and services and share them transparently, encouraging our customers to make more conscious choices.

Our communication strategies play an important role in conveying our sustainability goals to a wider audience and including them in our goals. We establish an open communication channel with all our stakeholders in the value chain, set common goals and regularly report our progress. The tools we use in communication include online platforms, sustainability reports and stakeholder meetings.

By integrating the innovations brought by digitalization into our processes, we utilize solutions such as data analytics in value chain management. These technologies allow us to monitor sustainability performance throughout the supply chain and make instant interventions. In this way, we identify risks in advance and can also evaluate opportunities more effectively.

Our global and local collaborations play an important role in increasing the sustainability impact in our value chain. Our membership in national and international sustainability platforms and our active participation in projects in this field align our business processes with global standards.



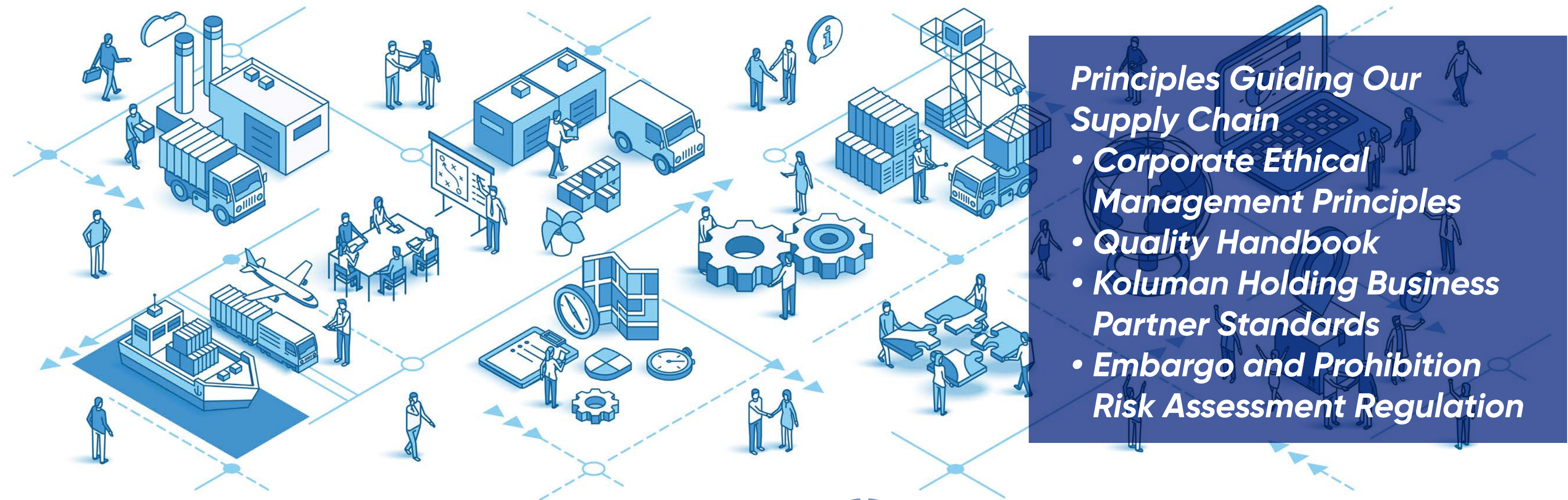
Sustainable Supply Chain

As Koluman Automotive Industry, we attach critical importance to supply chain management, which is a critical part of our sustainability goals. In the processes we manage with our suppliers, we take quality, ethical values and environmental responsibilities as a basis.

We prefer suppliers who can cooperate at every stage by complying with Koluman Automotive Industry goals, work in accordance with our sustainable supply chain approach and adopt our Integrated Management Systems Policy. We follow all these practices with the evaluations we make to our suppliers. In order to meet our expectations on ESG issues, we aim to prepare a corrective action plan for non-conformities that occur during supplier audits and visits and increase the sustainability performance of our suppliers with the follow-up process.



With the supplier day event we started to organize in 2022, we aimed to strengthen our relations with our business partners and continue our cooperation in line with our common goals. With this event, we made our business processes more efficient by establishing open and sincere communication with our suppliers. In line with the feedback from our suppliers, we had the opportunity to develop innovative solutions that provide mutual benefits.



Supply Chain Management and Sustainable Supply Chain Practices

We base our supply chain on certain principles to operate in accordance with ethical and sustainability standards. The principles we have determined ensure that our suppliers conduct their business processes responsibly and at high standards. These principles provide the opportunity for our suppliers to positively transform their impact on society and the environment.

We ensure that ethical and sustainability standards are maintained and continuously improved at every stage of our supply chain. We implement best practices in the fields of quality, environmental management, occupational health and safety, and energy efficiency in our supply chain. We support these practices with our management system certificates and our Integrated Management Systems Policy.



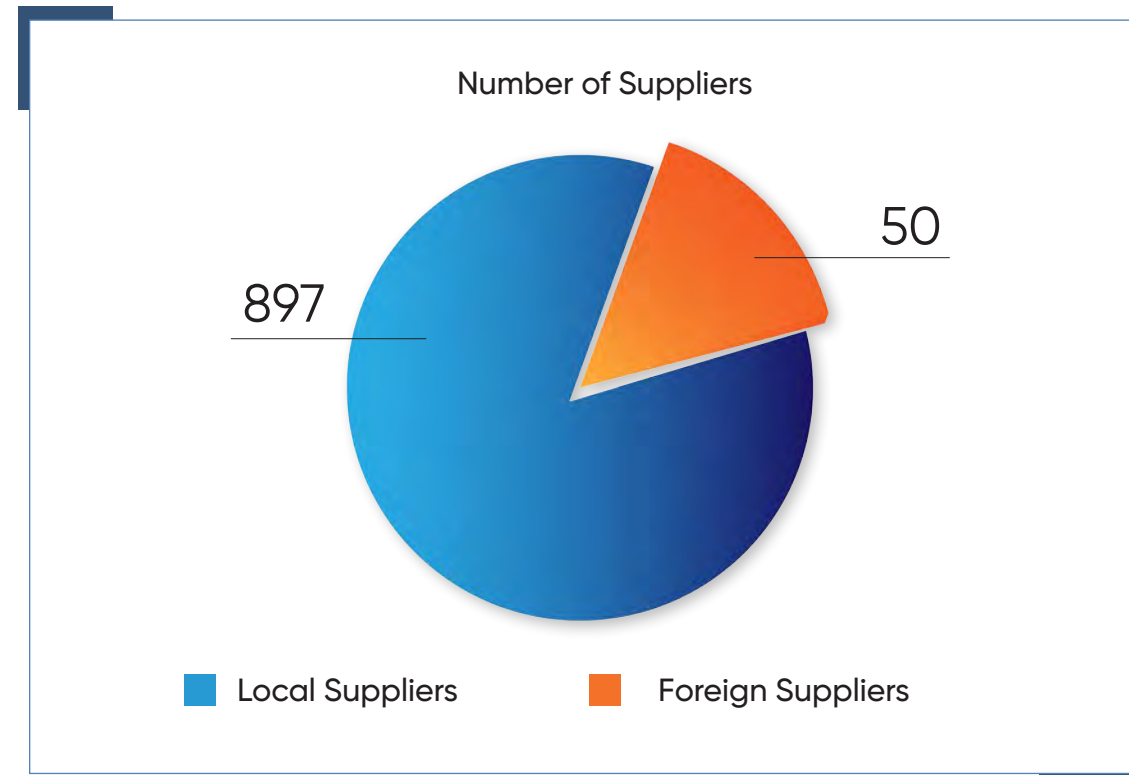
Warehouse Opening Project

With this project, we have achieved significant efficiency in our operations by eliminating our domestic transportation costs and time losses. By preventing the 42 trips we make every month and the approximately 31 thousand km of distance covered due to domestic transportation, we have made a significant contribution to our environmental sustainability goals in accordance with the green Kaizen principles.

We have reduced the high annual expense of the external warehouse application by approximately 80% by establishing our own warehouse. This strategic step has allowed us to increase the operational and financial efficiency of the process by reducing the workload of our employees.

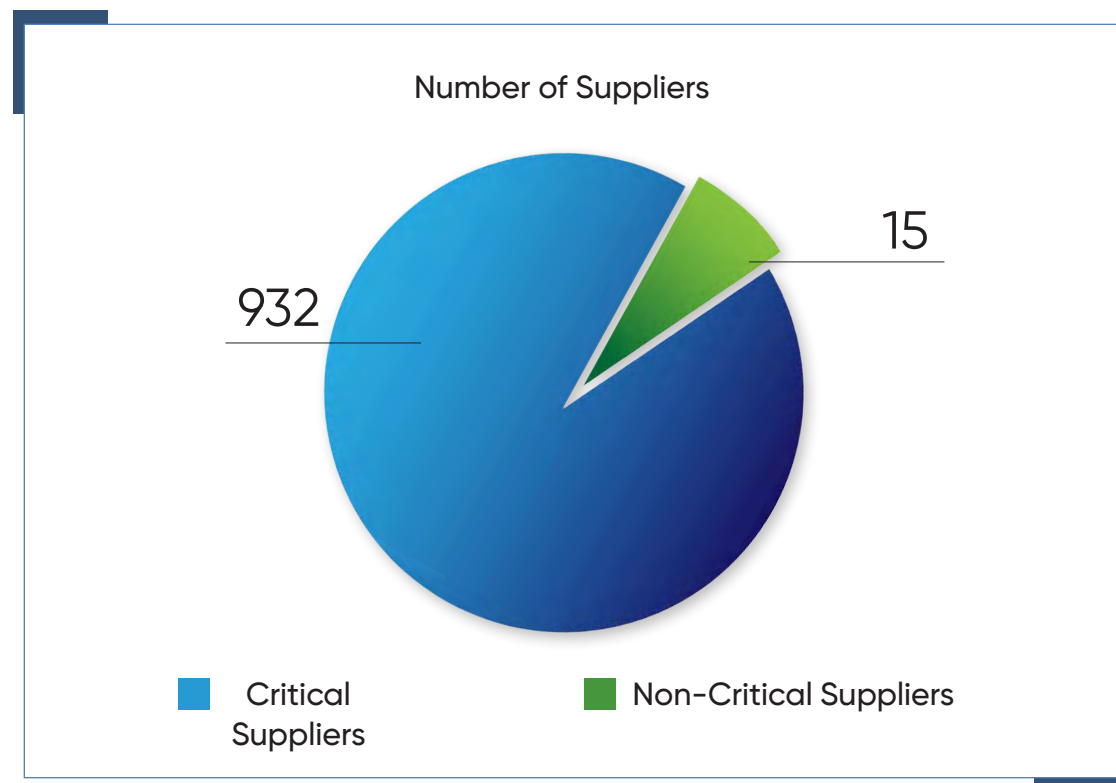
Supplier Structure

As Koluman Automotive Industry, we respond quickly to the changing needs of our sector with our strong and wide supplier network. We cooperate with 50 foreign and 897 domestic suppliers, and thanks to this diversity, we contribute to local development and maintain production and service quality at global standards. While our domestic suppliers provide operational flexibility and agility, our foreign business partners increase our competitiveness in the global market by supporting our access to innovation and technological developments.



We continue to cooperate with 15 critical and 932 non-critical suppliers in our supplier ecosystem. The strategic partnerships we have established with critical suppliers allow us to achieve the highest standards in operational continuity and product quality. Our non-critical suppliers increase the diversity in our processes and strengthen our flexibility and adaptation to innovative solutions.

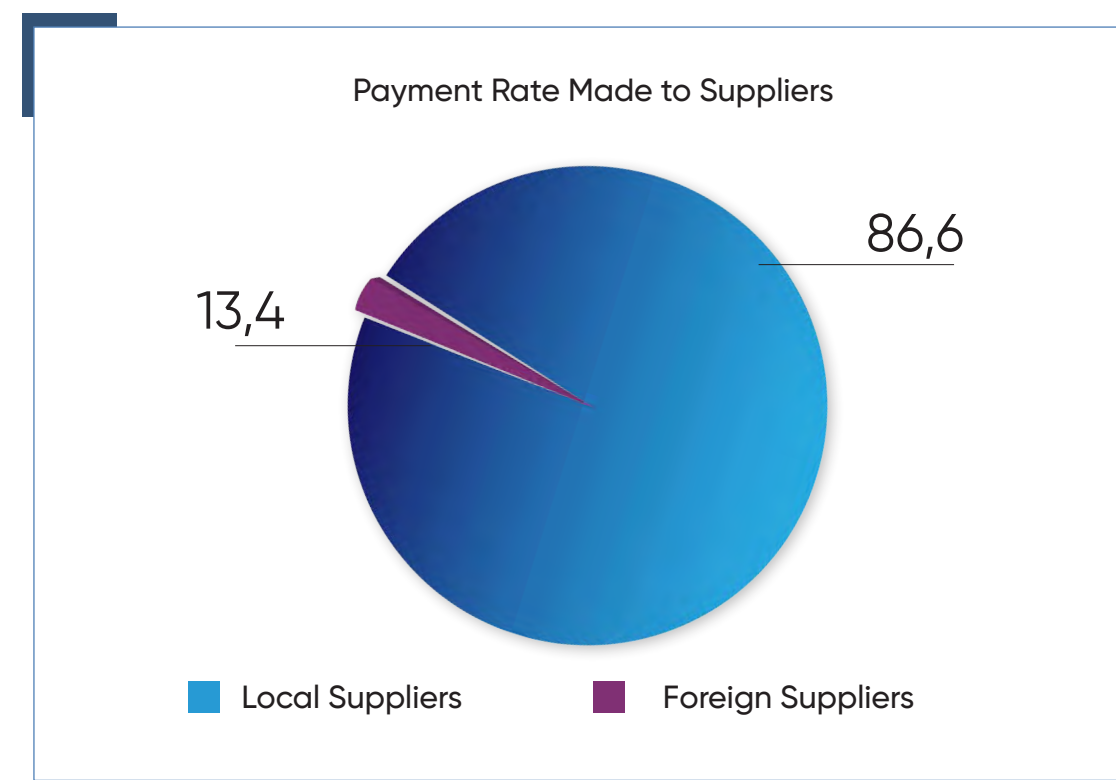
We constantly improve our supplier relationships with performance monitoring and sustainability assessments, and we value long-term cooperation. We will continue our work without compromising the principles of ethics and transparency in the supply chain, while maintaining our competitive structure.



Payments to Suppliers

In 2023, we allocated approximately 87% of the total payment made to suppliers to domestic suppliers and 13% to foreign suppliers.

The payment rates made to suppliers clearly demonstrate the strong collaborations we have established with domestic suppliers and our priority to support the local economy. Our work with domestic suppliers is an indicator of our goals and target progress in supporting regional development and contributing to social sustainability.



Supplier Selection and Evaluation

The supplier selection and evaluation process ensure the provision of quality service and products in line with our company's strategic goals. The process begins with the identification and communication of candidate suppliers. Various sources such as fairs, digital platforms and references allow us to connect with candidate companies. Relevant candidate companies are subject to a detailed examination including sustainability and climate change-related issues within the scope of the preliminary evaluation.

The commitment to ensure transparency and accountability in the supply chain guides the entire workflow throughout the process.

In the evaluation of supplier candidates, ethical values, environmental sustainability and social responsibility criteria are taken as basis. Tools such as the Supplier Evaluation Form are used to measure the financial stability, operational capacity, sustainability understanding and compliance with ethical standards of companies. With this process, we aim to establish long-term business partnerships without being limited to economic evaluations.

During the evaluation phase, companies can also be visited on-site in line with the determined criteria and their offers are examined in detail. In order to ensure the objectivity of the process, all evaluations are carried out with an independent approach. Price agreements are made with suppliers that meet the relevant criteria and the contract process is initiated.

Companies that achieve 70% and above success in the evaluation score are deemed suitable for cooperation.

Supplier selection is only a starting point. To ensure long-term success, regular performance evaluations are conducted with the selected companies and, if necessary, supplier development programs are implemented. This process aims to create a shared value creation culture and raise sustainability standards throughout the supply chain.

The quality requirements expected from the supplier, from the supplier selection and product ordering stage to product planning and production, process and product controls, documentation and shipping stages, are determined in the Supplier Handbook. The Supplier Handbook is delivered to the Quality Officer of the relevant suppliers. The Quality Officer is responsible for the distribution of the Supplier Handbook to all other departments of the supplier and its effective use.

Supplier performance evaluations are regularly monitored to ensure the effectiveness and continuity of our cooperation. By sharing the results of these evaluations, which we conduct every 6 months, with our suppliers, we strengthen the transparency of the processes and our improvement-oriented approach. Before a new product is launched, we comprehensively re-evaluate supplier performance when we detect a decrease in performance or encounter non-conformance situations. As a result of these evaluations, we prepare an action plan to solve the identified problems and manage the process meticulously.

Our suppliers, who directly affect our production processes or are included in PPM (Per Million Return) reports, are subject to audits within the framework of the “Annual Supplier Audit Plan” according to the strategic importance of our products and projects. During our audits, the conformity of the processes in terms of both process and documentation is examined in detail. We convey the findings to our suppliers and request action plans to eliminate deficiencies or correct nonconformities.

Supplier Audits

In 2023, we audited 16 of our suppliers according to ESG criteria.

Supplier audits contribute to the establishment and development of sustainable practices in our supply chain. The results we obtain from the audits allow us to measure the effectiveness of our strategies and strengthen the environmental and social performance of our supply chain. Thus, we strongly demonstrate our perspective of maintaining high standards in all our processes.

In supplier audits, questions related to sustainability and climate are also asked and scored in determining the levels of our suppliers. It includes the supplier assessment score (TDP), quality score (KP), logistics performance score (LPP), purchasing performance (SPP) and environmental performance score (ÇPP). The sum of the relevant scores is used in the classification of suppliers.

- Level A:** Supplier class that meets all the goals and requirements of Koluman Automotive Industry. $TFP \geq 85$
- Level B:** Has the potential to do business with Koluman Automotive Industry. Actions are expected to be taken within the given time to solve existing quality problems. Suppliers can get a price for the job and do new jobs. $70 \leq TDP \leq 85$
- Level C:** Supplier group that has the potential to do business with Koluman Automotive Industry. Process reviews are recommended. Work is encouraged to upgrade to a higher category. $50 \leq TDP \leq 70$
- Level D:** It is not recommended to work with suppliers in this class. $TDP < 50$

Supply Chain Assessment	2023
Number of suppliers identified with negative environmental impacts and agreed upon for improvement	0
Number of suppliers whose contracts were terminated due to negative environmental impacts	0
Number of suppliers identified with negative environmental impacts and monitored under an action plan	0
Number of suppliers whose contracts were terminated due to negative social impacts	1
Number of suppliers identified with negative social impacts and monitored under an action plan	0
Percentage of suppliers whose contracts were terminated due to negative economic impacts	0,11
Number of suppliers identified with negative economic impacts and agreed upon for improvement	0
Percentage of suppliers whose contracts were terminated due to negative economic impacts	0
Number of suppliers audited based on environmental criteria	16
Number of suppliers audited based on social criteria	16
Number of suppliers audited based on governance criteria	16

Supplier Trainings

In 2023, we provided 20 hours of training to a total of 10 suppliers. We implemented comprehensive training programs to support the development of our suppliers.

Occupational Health and Safety Trainings: As part of the facility visits, we started in 2022, we reached a total of 2,801 people with 7-minute sessions of Occupational Health and Safety, Environmental and Information Security Management System trainings, providing approximately 330 hours of training. In addition, we provided approximately 50 hours of training to 30 of our suppliers on vital issues such as first aid, occupational diseases and what to do in the event of an earthquake.

Environmental Trainings: We provided approximately 5 hours of training on waste separation and recycling to 10 subcontractor employees working in the cafeteria section.

We also provided information on the scope of the Information Security Management System in the relevant sessions. Thanks to these trainings, we aimed to increase the general knowledge and operational competencies of our suppliers.

As Koluman Automotive Industry, we have carried out a comprehensive Supply Chain Sustainability Training with the participation of all our teams related to supply management within the scope of sustainable supply chain. Focusing on the detailed auditing of the supply chain on environmental, social and governance criteria, we have brought forward suggestions on increasing the sustainability effectiveness of the supply chain audits to be carried out by our teams in the upcoming reporting period. In the short and medium term, we will continue to ensure that ethical values, environmental sensitivity and high-quality standards are established both in our own operations and in our supplier processes.

In the long term, we aim to manage all of the sustainability impacts of our suppliers.

Contribution to the Local Economy

We support the development of the local economy in order to have more resilient and agile operations. We work with multiple local resources and constantly explore localization opportunities in our activities carried out within the global framework. We support the local economy by procuring a large portion of our production inputs from local suppliers. At the same time, we create sustainable economic value for all our stakeholders in our value chain.

After the February 6 earthquakes, we made a critical effort to support regional solidarity and economic recovery. We prioritized local labor in our recruitment by increasing employment opportunities for

individuals affected by the earthquake. In addition, we developed strategic partnerships with universities in the region to contribute to the professional development of young people. In this way, we directly contributed to regional development while supporting young talents.

We also strengthen our financial stability with our localization efforts. We monitor the environmental and social impact of our operations by producing local solutions compatible with global standards. We increase the flexibility of our supply chain thanks to the strong partnerships we have established with local suppliers.

Within the framework of our localization strategies, we will continue to produce locally focused solutions that are compatible with global standards and to continuously expand our regional collaborations in this direction.

We create a more robust and resilient structure by reducing supply chain vulnerabilities for business continuity.

APPENDICES



Corporate Memberships

Organization's Name	Field of Activity of the Institution	Strategic Focus Supported by Membership
Tarsus Chamber of Commerce and Industry	To meet the needs of member businesses, facilitate professional activities, and promote communication and solidarity.	Corporate Governance
TREDER Trailer Industry Association	To meet the needs of member businesses, facilitate professional activities, and promote communication and solidarity.	Corporate Governance
Mediterranean Ferrous and Non-Ferrous Metals/Steel Exporters' Association (AKIB)	To meet the needs of member businesses, facilitate professional activities, and promote communication and solidarity.	Corporate Governance
Defense and Aerospace Industry Manufacturers Association	To meet the needs of member businesses, facilitate professional activities, and promote communication and solidarity.	Corporate Governance
Uludağ Automotive Industry Exporters' Association	To meet the needs of member businesses, facilitate professional activities, and promote communication and solidarity.	Corporate Governance
OAIB Machinery and Components Exporters' Association	To meet the needs of member businesses, facilitate professional activities, and promote communication and solidarity.	Corporate Governance
Defense and Aerospace Industry Exporters' Association	To meet the needs of member businesses, facilitate professional activities, and promote communication and solidarity.	Corporate Governance
CDP (Carbon Disclosure Project) Initiative	To ensure transparency in sharing efforts related to climate change.	Environmental Performance

Economic Performance Indicators

Financial Indicators (TRY)	2023
Revenues (Direct Economic Value Produced)	4,221,517,000
Operating expenses	4,877,676,000
Employee wages and fringe benefits (Ex: employee expenses, severance pay provisions, etc.)	330,931,540
Payments to shareholders	192,000
Payments to the government	22,810,295 ⁷
Total value of financial support received from any public institution during the reporting period	379,322,385 ⁸
Total expenditures made to professional chambers, chambers of commerce and other business organizations and expenditures made to other tax-exempt organizations	679,078
Social investments (in the scope of philanthropy)	1,299,935
Total budget allocated to R&D and innovation	140,000,000

Payments Made for Employees and Their Rights (TRY)	2021	2022	2023
Total wage payments made to employees	58,966,517	146,805,833	375,654,893
Total payments made for employee rights	11,196,018	31,072,969	95,606,915

⁷ VAT, Stamp duty, Temporary tax, corporate tax payments

⁸ 2023 corporate tax deductions and exemptions; previous year losses, earnings obtained in free zones, export lump sum expense deduction, KKEG provision expenses in previous periods, realized in this period, R&D deduction and YTB discounted institutions are originated from.

Environmental Performance Indicators

Water Withdrawal and Water Saving (m³)	2022	2023
Groundwater (Well Water)	30,300	50,000
Water Used from Third Party Sources	25,962	24,691
Total Water Supply	74,691	56,262

Water Discharged, Recovered and Reused (m³)	2023
Discharged Water	65,884
Recovered Water	6,960
Reused Water	6,960

Greenhouse Gas Emissions (tons CO ₂ e)	2022	2023
Category 1 – Direct Emissions	2,331.18	2,465
Category 2 – Energy Source Emissions (Location Based)	3,405.02	4,992
Category 2 – Energy Source Emissions (Market Based)	-	0
Category 3 – Transportation Source Emissions	3,878.02	4,267
Category 4 – Product Used – Service Source Emissions	79,398.93	37,337
Category 5 – Product Used Emissions	1,725.89	30
Category 6 – Other Emissions	125.80	-
Total Emissions – Location Based	90,861 [°]	49,091
Total Emissions – Market Based	-	44,099

Energy Consumption	2021	2022	2023
Electricity (kWh)	6,703,868	9,894,170	11,137,215
Natural Gas (m³)	206,124	689,702	928,910
Diesel (lt)	103,688	174,802	191,817
Other (Propane) (kg)	7,155	11,745	9,270

Waste Management (tons)	2022	2023
Landfilling	165	256
Other Disposed Waste	0.006	0.016
Recycled/Recovered Hazardous Waste	165	256
Recycled/Recovered Non-Hazardous Waste	2,409	2,786

Social Performance Indicators

Employee Turnover Rate by Age and Gender (%)	2022			2023		
	Female	Male	Total	Female	Male	Total
Under the age of 30	0.7	6.1	6.8	0.6	10.6	11.2
Between the ages of 30–50 (inclusive of 30 and 50)	0.7	5.0	5.7	0.7	6.4	7.1
Over the age of 50	-	0.4	0.4	0.1	0.6	0.7

Employee Turnover Rate by Management Level and Gender (%)	2022			2023		
	Female	Male	Total	Female	Male	Total
First Level Manager	0.1	0.1	0.3	0.1	0.2	0.4
Mid-Level Manager	-	0.1	0.1	-	0.1	0.1
Senior Level Manager	-	-	-	0.1	-	0.1

Employee Satisfaction and Loyalty Survey	2022	2023
Number of employees who participated in the employee satisfaction survey (number)	644	760
Percentage of employees who participated in the employee satisfaction survey (%)	100	89
Employee satisfaction score (number)	83	77

[°] Fuel and energy consumption increased due to the commissioning of the KTL unit in 2022. After the commissioning of the system, there was a decrease in emissions in 2023.

Employee Turnover Rate by Gender and Category (%)	2022			2023		
	Female	Male	Total	Female	Male	Total
Employee Turnover Rate - Blue Collar	0.2	12.8	13.0	0.1	21	21
Employee Turnover Rate - White Collar	5.1	6.9	12.0	5	9	14
Employee Turnover Rate	1.4	11.5	12.9	1	18	19

Number of Employees Leaving and Turnover Rate by Gender	2022			2023		
	Female	Male	Total	Female	Male	Total
Number of employees who left their jobs voluntarily	10	64	74	11	127	138
Employee turnover rate (%) of employees who left their jobs voluntarily	1.4	9.1	10.5	1	15	16
Total number of employees leaving	10	81	91	12	149	161

Number of Employees	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
White Collar	38	117	155	47	149	196	61	189	250
Blue Collar	-	462	462	3	571	574	6	668	674
Total	38	579	617	50	720	770	67	857	924

Employee Diversity	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of disabled employees	-	6	6	0	23	23	3	24	27
Number of disabled employees required by law	-	-	18	-	-	23	-	-	27
Number of foreign national employees	-	1	1	0	1	1	0	1	1

Number of Employees by Age, Category and Gender	2021				2022				2023			
	Blue Collar		White Collar		Blue Collar		White Collar		Blue Collar		White Collar	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Under the age of 30	0	160	16	28	3	230	18	44	2	264	27	55
Between the ages of 30-50	0	291	21	84	0	324	28	101	4	382	33	124
Over the age of 50	0	11	1	5	0	17	1	4	0	22	1	10

Number of Employees at the Management Level by Gender	2023	
	Female	Male
Number of Board Members	-	3
Number of Executive Board Members	1	9

Number of People on the Board of Directors by Age Group	2022	2023
Between the ages of 30-50	1	1
Over the age of 50	2	2
Total Number of Board Members	3	3

Number of Employees in Managerial Positions by Age Group and Gender	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Under the age of 30	0	1	1	0	2	2	0	1	1
Between the ages of 30-50	6	60	66	8	69	77	7	76	83
Over the age of 50	0	7	7	0	7	7	0	9	9
Total number of managers	74			86			93		

Employees by Seniority	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Employed for 0-5 years	27	382	409	37	445	482	53	572	625
Employed for 5-10 years	7	124	131	9	161	170	9	172	181
Employed for 10 years and above	4	73	77	4	114	118	5	113	118

Number of Customer Complaints	2021	2022	2023
	50	115	59

Parental Leave	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Number of employees who benefited from maternity/parental leave	-	27	-	30	5	53
Number of female employees returning to work after the end of maternity/parental leave	-	-	-	-	2	-
Number of employees returning to work after maternity/parental leave and continuing to work for at least 12 months ¹⁰	-	-	-	-	-	-

Number of Employees by Management Level and Gender	2023	
	Female	Male
Non-Manager (Senior Specialists, Specialists, Other Employee)	60	771
First-Level Manager (Unit Managers, Team Leaders, Supervisors)	6	75
Middle-Level Manager (Managers)	1	8
Senior-Level Manager (General Manager, Deputy General Managers)	0	3

¹⁰ The 2 female employees who returned from maternity leave in 2023 will be followed up and reported in 2024.

¹¹ There is no Senior Manager.

¹² There is no Senior Manager.

¹³ The specialist position has been taken into consideration.

¹⁴ The percentage is high due to the fact that female employees are mostly white-collar.

Salary Rates by Rank	2023
Ratio of salaries for female senior managers to male senior managers (basic pay only) %	_ ¹¹
Ratio of salaries for female senior managers to male senior managers (sum of basic pay and other bonus payments) %	_ ¹²
Ratio of salaries for female first and middle managers to male first and middle managers (basic pay only) %	90.3
Ratio of salaries for female first and middle managers to male first and middle managers (sum of basic pay and other bonus payments) %	89.3
Ratio of salaries for female non-managerial employees to salaries for non-managerial employees (basic pay only) %	92.3 ¹³
Ratio of salaries for female non-managerial employees to salaries for non-managerial employees (sum of basic pay and other bonus payments) %	149.2 ¹⁴
Ratio of salaries for female non-managerial employees to salaries for non-managerial employees (sum of basic pay and other bonus payments) % - White collar	93.9

Employee Training	2023
Total spending on employee training (TRY)	1,340,609
Annual average training spending per employee (TRY)	1,451
Total hours of training provided to employees	15,881
Annual average hours of training per employee	17
Total hours of ethics training provided to employees	266
Hours of ethics training per female employee	65
Hours of ethics training per male employee	201

OHS Training and OHS Budget	2023
Number of employees participating in OHS training	937
Total OHS training hours for employees	-
Number of subcontractors participating in OHS training	1,046
Total OHS training hours for subcontractors	2,092
Budget/investments allocated to OHS (TRY)	2,672,541

Occupational Health and Safety (OHS) Performance	2023	
	Female	Male
Total Number of Employees	67	857
Total Working Hours	125,241	1,601,970
Number of Work Accidents	1	65
Number of Work Accidents with Lost Days	0	22
Number of Lost Days	0	634
Number of Fatal Accidents	-	-
Number of Occupational Diseases	-	-
Number of Lost Days Due to Occupational Disease	-	-
Lost Time Work Accident Severity Rate	-	0.28
Lost Time Work Accident Frequency Rate	-	11.48
Total Number of Contract Employees	16	96
Total Contract Employee Working Hours	3,600	172,800
Number of Contract Employee Work Accidents	2	4

Supply Chain Management	2023
Total number of suppliers	947
Total number of domestic suppliers	897
Total payment made to suppliers (TRY)	4,217,241,066
Total payment made to domestic suppliers (TRY)	3,653,875,332
Critical suppliers	15
Non-critical suppliers	932
Number of suppliers receiving training	10
Total supplier training hours	20
Annual average training hours per supplier	2

Customer Management	2023
Customer Satisfaction Rate (%)	95
Number of B2B Customers	4
Number of Complaints Regarding Customer Privacy Violation	0

Recruitment Metrics ¹⁵	2023
Number of all positions opened	313
Number of positions filled by women	29
Number of positions filled by men	284
Number of positions filled by women internal candidates	1
Number of positions filled by men internal candidates	22
Number of female new hires during the year	32
Number of male new hires during the year	355

Performance Management	2022		2023	
	Female	Male	Female	Male
Number of employees whose progress toward goals is systematically measured by their senior managers	15	48	23	89
Number of employees promoted	8	31	4	34

R&D Center Indicators	2023
Number of Female Employees	19
Number of Male Employees	119
Total Number of Employees	138
Number of Registered Patents	1
Number of Patent Applications in Progress	38
Number of Registered Utility Models	26
Number of Utility Model Applications in Progress	34

¹⁵ The number of employees is represented.

Greenhouse Gas Verification Statement



Greenhouse Gas Verification Statement
Sera Gazı Doğrulama Beyanı

KOLUMAN OTOMOTİV ENDÜSTRİ A.Ş.

Organizational Boundaries / Organizasyonel Sınırlar
Şahin Mah. Sait Polat Bulvarı No:386 C Blok Tarsus/Mersin

The Greenhouse Gas emissions inventory has been verified to meet the standard requirements specified below according to ISO 14064-3:2019 / *Sera Gazı emisyonları envanterinin, ISO 14064-3:2019'a göre aşağıda belirtilen standart gerekliliklerini karşıladığı doğrulanmıştır.*

ISO 14064-1:2018

Category 1- Direct Emissions / <i>Doğrudan emisyonlar</i>	2.465	t CO ₂ eq
Category 2- Emissions (Location Based) / <i>Enerji kaynaklı emisyonlar (Lokasyon Bazlı)</i>	4.992	t CO ₂ eq
Category 2- Emissions (Market Based) / <i>Enerji kaynaklı emisyonlar (Market Bazlı)</i>	0	t CO ₂ eq
Category 3- Emissions from transportation / <i>Ulaşım kaynaklı emisyonlar</i>	4.267	t CO ₂ eq
Category 4- Emissions from products, service used / <i>Kullanılan ürün - hizmet kaynaklı</i>	37.337	t CO ₂ eq
Category 5- Emissions from associated with the use of the product / <i>Ürün kullanımı</i>	30	t CO ₂ eq
Category 6- Other Emissions / <i>Diğer emisyonlar</i>	-	t CO ₂ eq
Total Emissions (Location Based) / (Lokasyon Bazlı)	49.091	t CO₂ eq
Total Emissions (Market Based) / (Market Bazlı)	44.099	t CO₂ eq
Biogenic Emissions / <i>Biyojenik Emisyonlar</i>	-	t CO ₂ eq

Level of Assurance / Güven Seviyesi	: Reasonable / Makul	Verification Report Date / Doğrulama Rapor Tarihi	: 23.09.2024
Reporting Period / Raporlama Dönemi	: 01.01. 2023 – 31.12. 2023	Statement No / Beyan No	: SG-GNL-019 / 2023

Onaylayan
Okay Kayhanlı – Genel Müdür






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GRI Content Index

Statement of Use	Koluman Automotiv Industry has reported using GRI Standards as a guide for the period 01.01.2023 – 31.12.2023.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Since GRI has not yet published a standard specific to our sector, no sector standard has been used.

GRI STANDARD	DISCLOSURES	PAGE NUMBERS, EXPLANATIONS AND/OR DIRECT ANSWER	ADDITIONAL INFORMATION AND REASONS FOR EXCLUSIONS
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report p.6	
	2-2 Entities included in the organization's sustainability reporting	About the Report p.6	
	2-3 Reporting period, frequency and contact point	About the Report p.6 Contact p.91	
	2-4 Restatements of Information	About the Report p.6	Explanation: This is the first reporting period.
	2-5 External Assurance	Greenhouse Gas Verification Statement p.86	
	2-6 Activities, value chain, and other business relationships	About the Report p.6	
	2-7 Employees	Social Performance Indicators p.82	
	2-8 Workers who are not employees	Social Performance Indicators p.82	
	2-9 Governance structure and composition	Compliance with Corporate Governance Principles p.19	
	2-10 Nomination and selection of the highest governance body	Compliance with Corporate Governance Principles s.19	
	2-11 Chair of the highest governance body	Chairman's Message p.3	
	2-12 Role of the highest governance body in overseeing the management of impacts	Risk and Opportunity Management p.21	
	2-13 Delegation of responsibility for managing impacts	Risk and Opportunity Management p.21	
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Committee p.42	
	2-15 Conflicts of interest	Ethics, Transparency and Compliance p.18	
	2-16 Communication of critical concerns	Risk and Opportunity Management p.21	
	2-17 Collective knowledge of the highest governance body	Compliance with Corporate Governance Principles p.19	
	2-18 Evaluation of the performance of the highest governance body	Compliance with Corporate Governance Principles p.19	
GRI STANDARD	DISCLOSURES	PAGE NUMBERS, EXPLANATIONS AND/OR DIRECT ANSWER	ADDITIONAL INFORMATION AND REASONS FOR EXCLUSIONS
GRI 2: General Disclosures 2021	2-19 Remuneration policies	Fringe Benefits and Remuneration Approach p.58	
	2-20 Process for determine remuneration	Fringe Benefits and Remuneration Approach p.58	
	2-21 Annual total compensation ratio		Omission: Cannot be shared for confidentiality reasons.
	2-22 Statement on sustainable development strategy	Chairman's Message p.3 General Manager's Message p.4 Sustainability Approach p.40 Sustainability Priorities p.44 Contribution to Sustainable Development Goals p.47	
	2-23 Policy Commitments	Compliance with Corporate Governance Principles p.19	
	2-24 Embedding policy commitments	Compliance with Corporate Governance Principles p.19	
	2-25 Processes to remediate negative impacts	Risk and Opportunity Management p.21 Compliance with Corporate Governance Principles p.19 Ethics, Transparency and Compliance p.18	
	2-26 Mechanisms for seeking advice and raising concerns	Compliance with Corporate Governance Principles p.19 Ethics, Transparency and Compliance p.18	
	2-27 Compliance with laws and legislation	Compliance with Corporate Governance Principles p.19 Ethics, Transparency and Compliance p.18	
	2-28 Membership associations	Corporate Memberships p.81	
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Stakeholder Communication p.37	
	2-30 Collective bargaining agreements	There are no employees subject to collective bargaining agreements.	
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Priorities p.44	
	3-2 List of material topics	Sustainability Priorities p.44	

GRI STANDARD	DISCLOSURES	PAGE NUMBERS, EXPLANATIONS AND/OR DIRECT ANSWER	ADDITIONAL INFORMATION AND REASONS FOR EXCLUSIONS
Brand Reputation and Management			
GRI 3: Material Topics 2021	3-3 Management of the material topics	Sustainability Priorities p.44 Brand Reputation and Management p.17	
Employee Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of the material topics	Sustainability Priorities p.44 Employee Health and Safety p.59	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Health and Safety p.59	
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Health and Safety p.59 Social Performance Indicators p.82	
	403-3 Occupational health services	Employee Health and Safety p.59	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health and Safety p.59	
	403-5 Worker training on occupational health and safety	Employee Health and Safety p.59 Social Performance Indicators p.82	
	403-6 Promotion of worker health	Employee Health and Safety p.59	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Health and Safety p.59 Social Performance Indicators p.82	
	403-8 Workers covered by an occupational health and safety management system	Employee Health and Safety p.59 Social Performance Indicators p.82	
	403-9 Work-related injuries	Employee Health and Safety p.59 Social Performance Indicators p.82	
	403-10 Work-related ill health	Employee Health and Safety p.59 Social Performance Indicators p.82	
Customer Satisfaction			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.44 Customer Satisfaction p.34	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service	Customer Privacy and Security p.36	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Privacy and Security p.36	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy and Security p.36	

GRI STANDARD	DISCLOSURES	PAGE NUMBERS, EXPLANATIONS AND/OR DIRECT ANSWER	ADDITIONAL INFORMATION AND REASONS FOR EXCLUSIONS
Ethics, Transparency and Compliance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethics, Transparency and Compliance p.18 Sustainability Priorities p.44	
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics, Transparency and Compliance p.18	
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Risk and Opportunity Management p.21 Ethics, Transparency and Compliance p.18 Value Chain Management and Communication p.75 Sustainable Supply Chain p.76	
	205-2 Communication and training about anti-corruption policies and procedures	Risk and Opportunity Management p.21 Ethics, Transparency and Compliance p.18 Value Chain Management and Communication p.75 Sustainable Supply Chain p.76	
	205-3 Confirmed incidents of corruption and actions taken	Risk and Opportunity Management p.21 Ethics, Transparency and Compliance p.18 Value Chain Management and Communication p.75 Sustainable Supply Chain p.76	
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	Risk and Opportunity Management p.21 Ethics, Transparency and Compliance p.18 Value Chain Management and Communication p.75 Sustainable Supply Chain p.76	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Risk and Opportunity Management p.21 Ethics, Transparency and Compliance p.18 Protection of Human Rights p.58 Sustainable Supply Chain p.76	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Risk and Opportunity Management p.21 Ethics, Transparency and Compliance p.18 Protection of Human Rights p.58 Sustainable Supply Chain p.76	
Environmental Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.44 Emission Formations p.50 Water and Wastewater Management p.51	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emission Formations p.50 Environmental Performance Indicators p.82	
	305-2 Energy indirect (Scope 2) GHG emissions	Emission Formations p.50 Environmental Performance Indicators p.82	
	305-3 Other indirect (Scope 3) GHG emissions	Emission Formations p.50 Environmental Performance Indicators p.82	

GRI STANDARD	DISCLOSURES	PAGE NUMBERS, EXPLANATIONS AND/OR DIRECT ANSWER	ADDITIONAL INFORMATION AND REASONS FOR EXCLUSIONS
GRI 305: Emissions 2016	305-4 GHG emissions intensity	Emission Formations p.50 Environmental Performance Indicators p.82	
	305-5 Reduction of (GHG) emissions	Emission Formations p.50 Environmental Performance Indicators p.82	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emission Formations p.50 Environmental Performance Indicators p.82	
GRI 303: Water and Wastewater 2018	303-1 Interaction with water as a shared resource	Water and Wastewater Management p.51	
	303-2 Management of water discharge-related impacts	Water and Wastewater Management p.51	
	303-3 Water withdrawal	Water and Wastewater Management p.51 Environmental Performance Indicators p.82	
	303-4 Water discharge	Water and Wastewater Management p.51 Environmental Performance Indicators p.82	
	303-5 Water consumption	Water and Wastewater Management p.51 Environmental Performance Indicators p.82	
Energy Management and Use of Renewable Energy Resources			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.44 Energy Management and Use of Renewable Energy Resources p.52	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management and Use of Renewable Energy Resources p.52 Environmental Performance Indicators p.82	
	302-2 Energy consumption outside of the organization	Energy Management and Use of Renewable Energy Resources p.52 Environmental Performance Indicators p.82	
	302-3 Energy intensity	Energy Management and Use of Renewable Energy Resources p.52 Environmental Performance Indicators p.82	
	302-4 Reduction of energy consumption	Energy Management and Use of Renewable Energy Resources p.52 Environmental Performance Indicators p.82	
Innovation and Digitalization			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.44 Innovation and Digitalization p.71	
Inclusion, Diversity and Equality			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.44 Protection of Human Rights p.58 Inclusion, Diversity and Equality p.62 Employee Loyalty, Satisfaction and Feedback p.63 Education, Development, Talent and Career Management p.65	

GRI STANDARD	DISCLOSURES	PAGE NUMBERS, EXPLANATIONS AND/OR DIRECT ANSWER	ADDITIONAL INFORMATION AND REASONS FOR EXCLUSIONS
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Inclusion, Diversity and Equality p.62 Social Performance Indicators p.82	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Fringe Benefits and Remuneration Approach p.58	
	401-3 Parental Leave	Fringe Benefits and Remuneration Approach p.58 Inclusion, Diversity and Equality p.62 Social Performance Indicators p.82	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Compliance with Corporate Governance Principles p.19 Inclusion, Diversity and Equality p.62	
	405-2 Ratio of basic salary and remuneration of women to men	Social Performance Indicators p.82	
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Ethics, Transparency and Compliance p.18	
Sustainable Supply Chain			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.44 Value Chain Management and Communication p.75 Sustainable Supply Chain p.76 Contribution to Local Economy p.79	
GRI 204: Purchasing Practices 2016	204-1 Proportion of spending on local suppliers	Contribution to Local Economy p.79 Social Performance Indicators p.82	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain p.76 Social Performance Indicators p.82	
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain p.76 Social Performance Indicators p.82	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain p.76 Social Performance Indicators p.82	
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain p.76 Social Performance Indicators p.82	
Education, Development, Career and Talent Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.44 Education, Development, Talent and Career Management p.65	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Education, Development, Talent and Career Management p.65 Social Performance Indicators p.82	
	404-2 Programs for upgrading employee skills and transition assistance programs	Education, Development, Talent and Career Management p.65	
	404-3 Percentage of employees receiving regular performance and career development reviews	Education, Development, Talent and Career Management p.65 Social Performance Indicators p.82	

GRI STANDARD	DISCLOSURES	PAGE NUMBERS, EXPLANATIONS AND/OR DIRECT ANSWER	ADDITIONAL INFORMATION AND REASONS FOR EXCLUSIONS
Strong Financial Management and Economic Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.44 Strong Financial Management and Economic Performance p.33	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Strong Financial Management and Economic Performance p.33 Economic Performance Indicators p.81	
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability-Related Risk and Opportunity Management p.23 Sustainability Risks and Opportunities p.23	
	201-3 Defined benefit plan obligations and other retirement plans	Fringe Benefits and Remuneration Approach p.58	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Fringe Benefits and Remuneration Approach p.58 Social Performance Indicators p.82	
	202-2 Proportion of senior management hired from the local community	Social Performance Indicators p.82	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social Impact Projects p.66 Contribution to the Local Economy p.79	
	203-2 Significant indirect economic impacts	Social Impact Projects p.66 Contribution to the Local Economy p.79 Economic Performance Indicators p.82	
Value Chain Management and Communication			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.44 Value Chain Management and Communication p.75	
Contribution to the Local Economy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.44 Social Impact Projects p.66	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Protection of Human Rights p.58 Social Impact Projects p.66 Contribution to the Local Economy p.79	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Impact Projects p.66 Contribution to Local Economy p.79	
	413-2 Operations with significant actual and potential negative impacts on local communities	Protection of Human Rights p.58	
Circular Economy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.44 Circular Economy and Waste Management p.54	

GRI STANDARD	DISCLOSURES	PAGE NUMBERS, EXPLANATIONS AND/OR DIRECT ANSWER	ADDITIONAL INFORMATION AND REASONS FOR EXCLUSIONS
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy and Waste Management p.54	
	306-2 Management of significant waste-related impacts	Circular Economy and Waste Management p.54	
	306-3 Waste generated	Circular Economy and Waste Management p.54 Environmental Performance Indicators p.82	
	306-4 Waste diverted from disposal	Circular Economy and Waste Management p.54 Environmental Performance Indicators p.82	
	306-5 Waste directed to disposal	Circular Economy and Waste Management p.54 Environmental Performance Indicators p.82	
Protection of Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities p.44 Biodiversity Conservation p.56	
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	Protection of Biodiversity p.56	
	304-2 Significant impacts of activities, products and services on biodiversity	Protection of Biodiversity p.56	
	304-3 Habitats protected or restored	Protection of Biodiversity p.56	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Protection of Biodiversity p.56	



KOLUMAN AUTOMOTIVE INDUSTRY

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