



Sustainability Report Year 2025

SİSAN SANAYİ VE TİCARET A.Ş.

About This Report

Reporting Purpose and Scope

This Sustainability Report presents Sisan's sustainability approach, performance, commitments and progress regarding environmental, social and governance (ESG) topics.

The report aims to provide transparent information to Sisan's stakeholders, including customers, employees, suppliers, business partners, investors and public institutions, regarding the Company's sustainability strategy, material topics, risk management approach and sustainability performance.

The report covers Sisan's manufacturing operations and sustainability-related activities for the reporting period of 2025.

Reporting Period

The reporting period covered in this report is:

January 1, 2025 – December 31, 2025

Environmental, social and governance performance indicators presented in this report represent Sisan's activities and performance during the stated reporting period.

Reporting Framework and References

Sisan prepares its sustainability disclosures with reference to internationally recognized sustainability frameworks and industry practices.

This report has been developed considering the principles and requirements of:

- Global Reporting Initiative (GRI) Standards
- United Nations Sustainable Development Goals (UN SDGs)
- United Nations Global Compact (UNGC) Principles
- ISO Management System Standards
 - ISO 14001 Environmental Management System
 - ISO 45001 Occupational Health and Safety Management System
 - ISO/IEC 27001 Information Security Management System
 - ISO 9001 Quality Management System
- IATF 16949 Automotive Quality Management System Requirements
- Automotive industry customer sustainability expectations

Reporting Principles

Sisan follows the principles of transparency, accuracy, consistency and continuous improvement in sustainability reporting.

The information disclosed in this report has been prepared based on:

- Internal performance monitoring systems
- Management system records
- Operational performance indicators
- Sustainability-related assessments
- Applicable legal and regulatory requirements

Sisan continuously improves its data collection and reporting processes to enhance the quality, comparability and reliability of sustainability information.

Reporting Boundaries

The scope of this report includes sustainability topics associated with:

- Sisan's own operations
- Environmental performance
- Employees and occupational health and safety practices
- Ethical business conduct
- Supply chain sustainability
- Product responsibility and customer expectations

Where applicable, value chain-related topics, including supplier sustainability practices and Scope 3 greenhouse gas emissions, are considered within the Company's sustainability approach.

Materiality Approach

Sisan determines its sustainability priorities through a materiality assessment process considering:

- Stakeholder expectations
- Automotive industry trends
- Customer requirements
- Regulatory developments

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- Sustainability-related risks and opportunities
 - Business strategy and operational priorities

Material topics identified through this process guide Sisan’s sustainability strategy, roadmap, objectives and performance monitoring activities.

Sustainability Governance

Sustainability-related matters are managed through Sisan’s governance structure, ensuring integration of sustainability considerations into strategic decision-making and operational processes.

Responsibilities are defined across organizational levels, including:

- Board of Directors
- Senior Management
- Sustainability Coordination Function
- Functional Departments
- Employees
- Suppliers and Business Partners

Contact Information

For further information regarding Sisan’s sustainability activities, policies and performance, please visit:

Sisan Sustainability Website:

<https://www.sisansanayi.com/tr/kurumsal/politikalarimiz/surdurulebilirlik-politikamiz/>

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1.Management Message

Our company's sustainability approach aims to create long-term sustainable value by minimizing the environmental impacts of our operations and contributing to a more sustainable future for future generations. In line with this, we continuously strive to protect natural resources, avoid biodiversity loss and minimize waste production by using environmentally friendly production methods.

We make ongoing improvements to increase energy efficiency, reduce water consumption and minimize our carbon footprint in our production processes.

Furthermore, we encourage our business partners in the supply chain to adhere to sustainability principles and collaborate with them to find joint solutions in this regard.

2. Corporate Governance

As part of our commitment to managing our sustainability impacts and economic, social, and environmental responsibilities in accordance with legal and expected requirements, and creating sustainable value for our stakeholders through innovative ideas, investments, and products, we prioritize these important issues for our company and all our stakeholders.

At Sisan, we continuously improve our production processes to increase energy efficiency, reduce water consumption, and minimize our carbon footprint.

We also encourage our business partners in the supply chain to adhere to sustainability principles and collaborate with them to find joint solutions in this area. For this purpose, our suppliers and sub-suppliers are responsible for the following issues for which Sisan is responsible:

Environment: Greenhouse gas emissions (GHG), energy efficiency, energy use and the share of climate-neutral energy, water quality, water management, air quality, chemical management, sustainable resources management, waste management, hazardous waste and waste reduction, reuse and recycling, soil quality, decarbonization, renewable energy, noise emissions and biodiversity management, land use, deforestation, water rights and forced eviction.

Labor and human rights: Worker health and safety, working conditions, working hours, wages and benefits, women's rights, child labour, youth labour and forced labour, anti-modern slavery, human trafficking, diversity, discrimination, anti-harassment.

Code of Ethics and Conduct: Combating corruption, money laundering and anti-competitive practices, ethical recruitment, diversity, equality and inclusion, minority rights and indigenous peoples, data protection and data security, financial responsibility, disclosure of information, fair competition and mistrust, conflicts of interest, counterfeit parts, intellectual property, whistleblowing and retaliation protection, animal rights.

Sustainable sourcing: Supplier and sub-supplier circular economy, social, ethical responsibility and climate action, environmental responsibilities, RBA VAP standard requirements, conflict minerals management and practices.

For more detailed information about our Sustainability Policy, please refer to the link below.

<https://www.sisansanayi.com/tr/kurumsal/politikalarimiz/surdurulebilirlik-politikamiz/>

3.Sustainability Strategy & Management Approach

At Sisan, sustainability is an integral part of our corporate strategy and decision-making processes. We believe that long-term business success depends on creating value not only for our Company but also for our employees, customers, suppliers, local communities, and the environment.

Our sustainability approach is built on responsible governance, environmental stewardship, social responsibility, ethical business conduct, and continuous innovation. We are committed to conducting our operations in a manner that minimizes environmental impacts, supports the efficient use of natural resources, and contributes to a low-carbon and circular economy. We continuously improve our manufacturing processes by enhancing energy efficiency, reducing greenhouse gas emissions, conserving water resources, minimizing waste generation, and promoting recycling and resource recovery. We also seek opportunities to integrate environmentally friendly technologies and sustainable practices into our products and operations.

Our commitment extends beyond our own operations. We work closely with our suppliers and business partners to promote responsible sourcing, respect for human rights, ethical business practices, and environmental responsibility throughout our value chain.

Through collaboration and continuous engagement, we aim to strengthen the sustainability performance of our supply chain. Our sustainability priorities are determined through ongoing dialogue with our stakeholders and are aligned with our material sustainability topics, applicable legal requirements, international standards, and customer expectations. We regularly monitor our performance, establish measurable targets, and strive for continuous improvement through transparent reporting and effective governance.

3.1 Sustainability Governance & Risk Management

3.1.1 Risk Management Approach

Sisan adopts an integrated risk management approach to identify, assess, monitor and manage risks and opportunities that may affect its business continuity, operational performance and long-term sustainable value creation.

The Company's Risk Universe is structured under three main categories: Enterprise Risks, Sustainability Risks and Business Resilience Risks. This approach enables Sisan to evaluate financial, operational, environmental, social and governance-related risks within a holistic framework.

Sisan integrates sustainability-related risks and opportunities into its enterprise risk management processes by considering their potential impacts on the Company, environment and stakeholders. The Company's risk management approach supports strategic decision-making by considering business priorities, stakeholder expectations, regulatory developments and industry trends.

Sisan's risk management practices are conducted in alignment with applicable Turkish legislation, international standards and automotive industry requirements, including the Global Reporting Initiative (GRI) Standards, International Organization for Standardization (ISO) Management System Standards, International Automotive Task Force (IATF) 16949 Automotive Quality Management System requirements and relevant sustainability principles such as the United Nations Sustainable Development Goals (UN SDGs).

Risk identification, assessment and monitoring activities are supported through internal policies, management systems, performance indicators, audits and continuous improvement processes. The Company continuously reviews emerging risks and opportunities arising from technological developments, market conditions, regulatory changes and stakeholder expectations.

3.1.2 Risk Universe

Risk Universe	Main Risk Categories
Enterprise Risks	○ Strategic Risks ○ Financial Risks ○ Operational Risks
Sustainability Risks	○ Environmental & Climate Risks ○ People & Occupational Health & Safety Risks ○ Human Rights Risks ○ Ethics & Compliance Risks ○ Supply Chain & Responsible Sourcing Risks
Business Resilience Risks	○ Cyber Security & Information Risks ○ Product Responsibility & Customer Risks ○ Regulatory & Legal Risks ○ Reputation & Stakeholder Risks

Enterprise Risks

- **Strategic Risks**

Sisan evaluates strategic risks that may affect its long-term objectives, competitiveness and sustainable growth. Risks arising from market dynamics, technological transformation, customer expectations and developments in the automotive industry are monitored through strategic planning and risk management processes.

The Company considers global automotive transformation trends, including electrification, digitalization and evolving mobility solutions, while developing strategies to strengthen business resilience and maintain competitiveness.

Sisan's strategic risk approach is supported by internationally recognized principles, including the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the United Nations Sustainable Development Goals (UN SDGs) and automotive industry requirements such as IATF 16949 Automotive Quality Management System.

- **Financial Risks**

Sisan manages financial risks that may impact business performance and continuity, including foreign exchange fluctuations, liquidity risks, cost volatility and financial sustainability risks.

Financial risks are monitored through internal control mechanisms and corporate governance processes to support effective decision-making and ensure operational resilience.

Sisan's risk management approach is aligned with internationally recognized frameworks such as the ISO 31000 Risk Management Guidelines and the COSO Enterprise Risk Management Framework.

- **Operational Risks**

Sisan identifies and manages operational risks related to manufacturing continuity, production efficiency, quality performance and operational resilience.

The Company implements preventive and corrective actions to minimize operational disruptions, improve process reliability and ensure continuous improvement across manufacturing activities.

Operational risk management practices are supported by IATF 16949 Automotive Quality Management System, ISO 9001 Quality Management System and ISO 22301 Business Continuity Management System requirements.

Sustainability Risks

- **Environmental & Climate Risks**

Sisan monitors environmental and climate-related risks and opportunities that may impact its operations in the short, medium and long term through environmental performance indicators.

Environmental management activities are conducted in accordance with applicable regulations of the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change and aligned with international frameworks including ISO 14001 Environmental Management System, the Global Reporting Initiative (GRI) Standards and the United Nations Sustainable Development Goals (UN SDGs).

The Company focuses on climate change mitigation and adaptation, energy efficiency, greenhouse gas emission reduction, waste management, water efficiency and responsible resource utilization. Sisan supports global sustainability objectives, including ecosystem protection and sustainable use of natural resources in line with the principles of the Paris Agreement.

- **People, Occupational Health & Safety Risks**

Sisan manages risks related to employees, labor practices and occupational health and safety in accordance with Occupational Health and Safety Law No. 6331 of Türkiye, applicable regulations of the Republic of Türkiye Ministry of Labor and Social Security, and internationally recognized principles.

The Company implements preventive measures to identify workplace risks, improve employee awareness through training programs and provide a safe and healthy working environment.

Sisan's occupational health and safety approach is aligned with ISO 45001 Occupational Health and Safety Management System, International Labour Organization (ILO) Fundamental Principles and Rights at Work and relevant GRI 403 Occupational Health and Safety disclosures.

- **Human Rights Risks**

Sisan respects internationally recognized human rights principles throughout its operations and value chain.

The Company takes preventive actions to address potential risks related to discrimination, forced labor, child labor and other human rights impacts, while promoting fair working conditions for employees and business partners.

Sisan's approach is guided by the United Nations Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights, ILO Conventions and relevant GRI Standards.

- **Ethics & Compliance Risks**

Sisan manages risks related to ethical business conduct, anti-corruption, competition regulations, sanctions, export controls and compliance obligations.

The Company promotes integrity, transparency and accountability through internal policies, employee awareness activities and reporting mechanisms.

Sisan's compliance approach is aligned with the principles of the United Nations Convention Against Corruption (UNCAC), OECD Anti-Bribery Convention, United Nations Global Compact (UNGC) Principles, GRI 205 Anti-corruption and GRI 206 Anti-competitive Behavior.

- **Supply Chain & Responsible Sourcing Risks**

Sisan manages sustainability risks throughout its supply chain by promoting responsible sourcing practices and evaluating supplier compliance with environmental, social and ethical expectations.

Supplier requirements are communicated through supplier guidelines, including expectations regarding human rights, environmental responsibility, ethical business conduct and conflict minerals management.

The Company's responsible sourcing approach is aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals, Responsible Minerals Initiative (RMI) principles and relevant GRI 204 Procurement Practices, GRI 308 Supplier Environmental Assessment and GRI 414 Supplier Social Assessment disclosures

Business Resilience Risks

○ Cyber Security & Information Risks

Sisan manages cybersecurity and information security risks to protect business continuity, operational systems, intellectual property and stakeholder information against potential threats.

The Company implements preventive and corrective measures through information security policies, awareness programs and technical controls to safeguard confidential information and personal data.

Cybersecurity practices are managed in accordance with the Personal Data Protection Law No. 6698 (KVKK) of Türkiye and internationally recognized frameworks including ISO/IEC 27001 Information Security Management System, the NIST Cybersecurity Framework and automotive industry requirements such as TISAX (Trusted Information Security Assessment Exchange).

○ Product Responsibility & Customer Risks

Sisan manages risks related to product quality, product safety, customer requirements and product lifecycle responsibility throughout its operations.

The Company continuously improves its processes to ensure compliance with customer expectations, applicable regulations and automotive industry standards, while maintaining a strong focus on product reliability, traceability and customer satisfaction.

Product responsibility practices are conducted in alignment with IATF 16949 Automotive Quality Management System, ISO 9001 Quality Management System requirements and applicable customer-specific requirements established by global automotive manufacturers.

Sisan also considers product-related sustainability impacts in accordance with relevant GRI 416 Customer Health and Safety disclosures

- **Regulatory & Legal Risks**

Sisan monitors legal and regulatory developments that may affect its operations and evaluates potential impacts through compliance management processes.

The Company ensures compliance with applicable Turkish and international regulations related to environmental protection, occupational health and safety, labor practices, product safety, trade requirements and sustainability-related obligations.

Regulatory compliance activities include monitoring developments such as the European Union Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation, Restriction of Hazardous Substances (RoHS) Directive and climate-related regulations such as the Carbon Border Adjustment Mechanism (CBAM) where applicable.

Sisan's compliance approach is supported by internationally recognized principles including ISO 37301 Compliance Management System and relevant GRI Standards.

- **Reputation & Stakeholder Risks**

Sisan considers reputation and stakeholder-related risks as important elements of sustainable business management and long-term value creation.

The Company maintains transparent communication and engagement with employees, customers, suppliers, business partners and other stakeholders to understand expectations, strengthen trust and manage potential reputational impacts.

Stakeholder engagement practices are aligned with the principles of the Global Reporting Initiative (GRI) Standards, AA1000 Stakeholder Engagement Standard and the United Nations Global Compact (UNGC) Principles.

Sisan continuously monitors stakeholder expectations, customer requirements, sustainability developments and industry trends to support responsible growth and maintain stakeholder confidence.

3.1.3 Risk Governance

Sisan has established a governance structure to ensure that risks and opportunities, including sustainability-related matters, are effectively identified, assessed, monitored and managed.

The Company's risk governance approach enables sustainability-related risks to be integrated into strategic decision-making processes, operational activities and continuous improvement initiatives.

Sisan's governance structure defines responsibilities across different organizational levels to ensure effective risk ownership, monitoring and reporting.

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- Board Oversight
 - Management Responsibility
 - Risk Ownership
 - Monitoring & Reporting

3.2 Materiality Assessment

Sisan identifies its material topics by considering the impacts of its activities on the economy, environment and people, together with stakeholder expectations and business priorities.

The materiality assessment process considers:

- Stakeholder expectations
- Automotive industry trends
- Regulatory developments
- Customer requirements
- Sustainability-related risks and opportunities
- Business strategy and operational priorities

Sisan's materiality assessment approach is aligned with the principles of the Global Reporting Initiative (GRI) Standards, which focus on identifying topics representing the organization's most significant impacts.

3.2.1 Materiality Matrix

Materiality Assessment Results

Sisan's materiality assessment identifies sustainability topics that represent significant impacts on the environment, society and stakeholders while considering their relevance to the Company's business strategy and long-term value creation.

The assessment considers two main perspectives:

- Impact Materiality: The significance of Sisan's impacts on the environment, people and society.
- Business Relevance: The importance of sustainability topics considering business continuity, customer expectations, regulatory developments, operational priorities and strategic objectives.

The results of the materiality assessment support the identification of Sisan's sustainability priorities, risk management approach, strategic objectives and sustainability roadmap.

Material Topic	Impact Significance	Business Relevance	Priority Level
Climate Change & Energy Management	High	High	Strategic Priority
Environmental Management & Resource Efficiency	High	High	Strategic Priority
Occupational Health & Safety	High	High	Strategic Priority
Responsible Supply Chain	High	High	Strategic Priority
Human Rights & Fair Working Conditions	High	High	Strategic Priority
Product Quality & Safety	Medium / High	High	Strategic Priority
Ethics & Compliance	High	High	Strategic Priority
Cyber Security, Information Security & Data Protection	Medium / High	High	Strategic Priority
Employee Development & Engagement	Medium	High	Important Priority
Innovation & Automotive Transformation	Medium	High	Important Priority
Regulatory Compliance	High	High	Strategic Priority
Stakeholder Engagement & Reputation	Medium	Medium / High	Important Priority
Water Management	Medium	Medium	Important Priority
Circular Economy & Waste Management	High	Medium / High	Strategic Priority

Materiality Assessment Approach

The materiality matrix is reviewed periodically considering:

- Changes in stakeholder expectations
- Automotive industry transformation trends
- Customer sustainability requirements
- Regulatory developments
- Emerging risks and opportunities
- Business strategy and operational priorities

Sisan continuously evaluates its material topics to ensure alignment with evolving sustainability expectations and maintains a proactive approach toward responsible business management.

3.2.2 Material Topic Prioritization

Based on the materiality assessment results, Sisan has categorized its sustainability topics into three priority levels:

Priority Level	Description
Strategic Priority	Topics with significant environmental, social or governance impacts and strong relevance to business continuity and stakeholder expectations.
Important Priority	Topics requiring continuous improvement and monitoring due to their relevance to business operations and stakeholder interests.
Monitoring Topics	Topics that are monitored through regulatory developments, industry trends and emerging sustainability expectations.

BUSINESS RELEVANCE



IMPACT SIGNIFICANCE

3.3 Material Topics & Management Approach

Management Approach

Sisan manages its material topics through defined policies, management systems, performance indicators and continuous improvement initiatives.

Each material topic is evaluated together with related risks, opportunities, objectives and improvement actions.

The Company's management approach considers applicable legislation, international standards and automotive industry expectations.

Material Topics Overview

Material Topic	Related Risk Category	Management Approach
Climate Change & Energy Management	Environmental & Climate Risks	Managing emissions, improving energy efficiency and supporting transition toward lower-carbon operations through environmental management practices.
Environmental Management & Resource Efficiency	Environmental & Climate Risks	Managing waste, water consumption and resource efficiency through systematic environmental programs.
Occupational Health & Safety	People & Occupational Health and Safety Risks	Preventing workplace incidents through risk assessments, training programs and safety culture initiatives.
Employee Development & Engagement	People Risks	Supporting employee capabilities through training, development and engagement activities.
Human Rights & Fair Working Conditions	Human Rights Risks	Promoting respect for human rights and fair working conditions throughout operations and value chain.

Material Topic	Related Risk Category	Management Approach
Ethics & Compliance	Ethics, Compliance & Governance Risks	Ensuring responsible business conduct through compliance programs, ethical principles and reporting mechanisms.
Responsible Supply Chain	Supply Chain & Responsible Sourcing Risks	Strengthening supplier sustainability performance and responsible sourcing practices.
Product Quality & Safety	Product Responsibility & Customer Risks	Ensuring product reliability, safety and customer satisfaction through automotive quality systems.
Cyber Security, Information Security & Data Protection	Cyber Security & Information Risks	Protecting information assets and strengthening cybersecurity resilience.
Regulatory Compliance	Regulatory & Legal Risks	Monitoring legal developments and ensuring compliance with applicable requirements.
Innovation & Automotive Transformation	Strategic Risks	Supporting competitiveness through innovation, digitalization and adaptation to automotive transformation trends including electrification and future mobility solutions.
Stakeholder Engagement & Reputation	Reputation & Stakeholder Risks	Maintaining transparent communication and engagement with employees, customers, suppliers and stakeholders to strengthen trust and long-term relationships.

3.4 Sustainability Roadmap 2030

Sisan has developed its Sustainability Roadmap to support long-term sustainable growth, strengthen operational resilience and align its sustainability performance with global automotive industry expectations.

The roadmap considers:

- Material topics
- Risk management priorities
- Customer expectations
- Regulatory developments
- Automotive industry sustainability trends

Sisan aims to achieve continuous improvement through measurable objectives, action plans and performance monitoring.

Strategic Sustainability Priorities

Sisan's Sustainability Roadmap 2030 provides a structured framework to translate sustainability priorities into measurable objectives, action plans and performance indicators. Progress against roadmap commitments is regularly monitored and evaluated through sustainability governance mechanisms.

Focus Area	2030 Direction
Climate Change	Reduce environmental impacts and improve carbon performance through energy efficiency and emission reduction initiatives.
Environmental Management	Strengthen resource efficiency, waste reduction and circular economy practices.
Occupational Health & Safety	Improve safety culture and reduce workplace risks.
People Development	Enhance employee capabilities supporting future automotive transformation.
Responsible Supply Chain	Increase supplier sustainability maturity through responsible sourcing, ESG assessment practices, supplier engagement and supply chain transparency.
Product Responsibility	Strengthen product quality, safety and customer satisfaction performance.
Digital Resilience	Improve cybersecurity capabilities and information protection.

3.5.Sustainability Performance, KPIs and Targets

KPI Management Approach

Sisan monitors sustainability performance through defined key performance indicators (KPIs) linked to its material topics and strategic priorities.

KPIs enable the Company to evaluate progress, identify improvement opportunities and support transparent sustainability reporting. Performance indicators are monitored considering customer expectations, regulatory requirements and international sustainability frameworks

Environmental & Climate Targets

Material Topic	KPI / Indicator	Target	Base Year / Target Year	Status
Climate Change & Energy Management	Scope 1 GHG Emissions	Achieve 10% annual reduction in Scope 1 emissions across overall production until 2030 compared with 2022 absolute energy usage baseline	2022 / 2030	On Track
Climate Change & Energy Management	Scope 2 GHG Emissions	Achieve 100% reduction in Scope 2 emissions through renewable electricity transition compared with 2023 baseline	2023 / 2025	Achieved
Climate Change & Energy Management	Scope 3 GHG Emissions	Reduce Scope 3 emissions by 25% (Scope 3 emission reduction initiatives focus primarily on value chain collaboration, responsible sourcing practices, supplier engagement and improvements in material efficiency.)	2025 / 2030	On Track
Climate Change & Energy Management	Total GHG Emissions (Scope 1+2+3)	Reduce total production-related emissions by 25%	2025 / 2030	On Track

Material Topic	KPI / Indicator	Target	Base Year / Target Year	Status
Energy Management	Electricity Consumption	Reduce electricity consumption by 3% by 2026 and an additional 3% improvement target towards 2030	2025 / 2030	On Track
Renewable Energy Transition	Renewable Electricity Usage	Achieve 100% renewable electricity usage	2025	Achieved
Energy Management	Fuel & Heating Consumption	Reduce fuel and heating consumption by 3% by 2026 and continue improvement towards 2030	2025 / 2030	On Track
Energy Management & Climate Action	Renewable / Climate Neutral Heating and Fuel	Achieve renewable or climate-neutral fuel and heating solutions	2030	On Track

Environmental Management & Circular Economy Targets

Material Topic	KPI / Indicator	Target	Base Year / Target Year	Status
Waste Management & Resource Efficiency	Waste Generation	Reduce waste generation by 4% annually	2023 / 2025	Achieved
Waste Management & Circular Economy	Waste Reduction	Achieve 5% annual waste reduction improvement	2025 / 2030	Progressing
Circular Economy & Recycled Materials	Recycled Material Usage	Achieve recycled material usage targets:- 25% plastics- 40% aluminium- 25% steel	2025	Achieved
Water Management	Water Consumption	Reduce water consumption intensity in operations by 50% compared with 2018 baseline	2018 / 2030	Progressing

Social Sustainability Targets

Material Topic	KPI / Indicator	Target	Base Year / Target Year	Status
People & Occupational Health and Safety	Health & Safety Performance	Improve occupational health and safety performance through preventive measures, employee engagement and continuous improvement programs	2025 / 2030	On Track
Human Rights & Fair Working Conditions	Human Rights Performance	Strengthen practices related to employment rights, equality, diversity, inclusion and human rights principles	2025 / 2030	On Track
Employee Development & Engagement	Training & Development	Strengthen employee participation, competency development and continuous learning opportunities	2025 / 2030	On Track
Ethics & Compliance	Ethical Business Conduct	Maintain and improve ethical compliance practices through awareness, monitoring and reporting mechanisms	2025 / 2030	On Track

3.6 Sustainability Governance Model & Responsibilities

Sisan recognizes effective governance as a fundamental element of sustainable value creation and responsible business management. The Company has established a governance structure to ensure that sustainability-related risks, opportunities, objectives and performance are effectively managed and integrated into business processes.

Sustainability governance enables coordination across functions, supports decision-making processes and ensures continuous monitoring of sustainability performance.

Sisan's sustainability governance structure defines responsibilities at different organizational levels, ensuring accountability, transparency and effective implementation of sustainability initiatives

Governance Level	Responsibilities
Board of Directors	Provides strategic oversight of sustainability-related matters, evaluates significant risks and opportunities, and ensures sustainability considerations are integrated into corporate strategy and decision-making processes.
Senior Management	Responsible for implementing sustainability priorities, approving improvement initiatives and ensuring alignment between business objectives and sustainability commitments.
Sustainability Coordination Team / Function	Coordinates sustainability activities, monitors performance indicators, supports reporting processes and facilitates collaboration between relevant departments.
Functional Departments	Responsible for implementing sustainability-related actions, managing operational risks, monitoring KPIs and improving performance within their areas of responsibility.
Employees	Contribute to sustainability objectives through responsible working practices, environmental awareness, occupational health and safety practices and continuous improvement activities.
Suppliers and Business Partners	Suppliers and Business Partners contribute to Sisan's sustainability objectives by complying with responsible sourcing principles, ethical business practices and environmental and social requirements.

3.7 Stakeholder Engagement Approach

Sisan recognizes stakeholder engagement as an essential element of sustainable value creation. The Company regularly communicates with its stakeholders to understand expectations, identify sustainability priorities and strengthen collaboration. Key stakeholder groups include:

Stakeholder Group	Engagement Method
Customers	Customer assessments, sustainability requirements, feedback processes
Employees	Surveys, meetings, training programs

Stakeholder Group	Engagement Method
Suppliers	Supplier evaluations, audits, sustainability requirements
Local Communities	Communication and responsible business practices
Public Authorities	Regulatory compliance and official communication
Investors and Financial Institutions	Sustainability expectations, financial assessments, ESG-related information sharing

3.8.Sustainability Decision-Making and Monitoring

Sisan monitors sustainability performance through defined objectives, key performance indicators and management review processes. Progress related to sustainability targets, environmental performance, occupational health and safety indicators, responsible sourcing activities and compliance topics is regularly evaluated.

Continuous improvement actions are developed based on performance results, stakeholder expectations, customer requirements and regulatory developments.

3.9 GRI Content Index

GRI Reporting Approach

Sisan prepares its sustainability disclosures with reference to the Global Reporting Initiative (GRI) Standards, which provide a globally recognized framework for sustainability reporting.

The Company applies the GRI principles to identify material topics, explain management approaches and disclose relevant sustainability performance indicators.

The following table presents the relationship between Sisan's sustainability topics and relevant GRI disclosures.

Material Topic	Related GRI Standards	Relevant Disclosure Areas
Sustainability Governance	GRI 2: General Disclosures 2021	Governance structure, roles and responsibilities, sustainability management approach
Materiality Assessment	GRI 3: Material Topics 2021	Identification and management of material topics
Climate Change & Energy Management	GRI 302 Energy, GRI 305 Emissions	Energy consumption, emissions management, climate-related actions
Environmental Management & Resource Efficiency	GRI 303 Water and Effluents, GRI 306 Waste	Water management, waste reduction, recycling activities
Occupational Health & Safety	GRI 403 Occupational Health and Safety	Occupational risks, prevention programs, employee safety performance
Employee Development & Engagement	GRI 401 Employment, GRI 404 Training and Education	Employment practices, training and competency development
Human Rights & Fair Working Conditions	GRI 405 Diversity and Equal Opportunity, GRI 406 Non-discrimination, GRI 408 Child Labor, GRI 409 Forced or Compulsory Labor	Human rights protection, equal opportunity and labor practices
Ethics & Compliance	GRI 205 Anti-corruption, GRI 206 Anti-competitive Behavior	Ethical business conduct, anti-corruption and compliance practices
Responsible Supply Chain	GRI 204 Procurement Practices, GRI 308 Supplier Environmental Assessment, GRI 414 Supplier Social Assessment	Supplier evaluation, responsible sourcing and supply chain impacts
Product Responsibility & Customer	GRI 416 Customer Health and Safety, GRI 417 Marketing and Labeling, GRI 416 Customer Health and Safety, GRI 417 Marketing and Labeling, relevant customer-specific requirements	Product safety, customer satisfaction and responsible product management

Material Topic	Related GRI Standards	Relevant Disclosure Areas
Cyber Security & Data Privacy	GRI 418 Customer Privacy and applicable information security practices	Data protection and information security practices
Stakeholder Engagement	GRI 2-29 Stakeholder Engagement	Stakeholder identification and engagement processes

3.10 Contribution to United Nations Sustainable Development Goals (UN SDGs)

UN SDG Alignment Approach

Sisan aligns its sustainability priorities with the United Nations Sustainable Development Goals (UN SDGs) to contribute to global sustainable development objectives.

The Company evaluates the relationship between its sustainability initiatives, material topics and SDGs to support responsible growth and long-term value creation.

Material Topic	Related SDG	Contribution Area
Climate Change & Energy Management	SDG 7 – Affordable and Clean Energy SDG 13 – Climate Action	Improving energy efficiency, increasing renewable energy utilization and reducing greenhouse gas emissions.
Environmental Management & Resource Efficiency	SDG 6 – Clean Water and Sanitation SDG 12 – Responsible Consumption and Production SDG 15 – Life on Land	Responsible resource management, waste reduction, recycling and protection of natural resources.

Material Topic	Related SDG	Contribution Area
Occupational Health & Safety	SDG 3 – Good Health and Well-being SDG 8 – Decent Work and Economic Growth	Providing a safe working environment and improving employee well-being.
Employee Development & Engagement	SDG 4 – Quality Education SDG 8 – Decent Work and Economic Growth	Supporting employee development, skills improvement and lifelong learning.
Human Rights & Fair Working Conditions	SDG 5 – Gender Equality SDG 8 – Decent Work and Economic Growth SDG 10 – Reduced Inequalities	Promoting equality, diversity, inclusion and fair working conditions.
Ethics & Compliance	SDG 16 – Peace, Justice and Strong Institutions	Promoting ethical business conduct, transparency and responsible governance.
Responsible Supply Chain	SDG 8 – Decent Work and Economic Growth SDG 12 – Responsible Consumption and Production SDG 16 – Peace, Justice and Strong Institutions	Supporting responsible sourcing, supplier sustainability and ethical supply chain practices.
Innovation & Automotive Transformation	SDG 9 – Industry, Innovation and Infrastructure	Supporting innovation, technology development and sustainable industrial transformation.
Stakeholder Engagement	SDG 17 – Partnerships for the Goals	Strengthening collaboration with customers, suppliers and stakeholders.
Product Responsibility & Customer	SDG 9 – Industry, Innovation and Infrastructure	Ensuring product reliability, safety, innovation and sustainable automotive solutions through robust quality management systems.

4. Environmental Performance

Sisan considers environmental sustainability as a key element of responsible manufacturing and long-term value creation. The Company continuously works to reduce the environmental impacts of its operations through energy efficiency, emission reduction initiatives, responsible resource management and circular economy practices.

Environmental performance is monitored through defined indicators and improvement programs in alignment with applicable regulations, international standards and automotive industry expectations.

Sisan's environmental management approach is supported by internationally recognized frameworks including ISO 14001 Environmental Management System, the Global Reporting Initiative (GRI) Standards and relevant United Nations Sustainable Development Goals (UN SDGs).

4.1 Energy Management

Energy Management Approach

Efficient use of energy resources is one of Sisan's key environmental priorities. The Company continuously monitors energy consumption, improves energy efficiency and increases the utilization of renewable energy sources to reduce environmental impacts and support climate change mitigation.

Energy management activities focus on:

- Improving production efficiency
- Reducing energy consumption per production output
- Increasing renewable energy utilization
- Implementing energy-efficient technologies
- Monitoring energy performance indicators

Sisan monitors energy consumption in accordance with operational requirements and continuously evaluates improvement opportunities throughout manufacturing processes.

Energy Performance Indicator	Unit	2025
Toatal Electricity Consumption	kWh	1,695,522
Renewable Solar Electricity Consumption	kWh	843,700
Natural Gas Consumption	Sm ³	192,311
Fuel Consumption	Liter	24,224

4.2 Climate Change & Greenhouse Gas Emissions

GHG Management Approach

Sisan recognizes climate change as one of the key environmental challenges affecting the automotive industry and global value chains.

The Company monitors and manages greenhouse gas (GHG) emissions in accordance with the principles of the GHG Protocol Corporate Accounting and Reporting Standard.

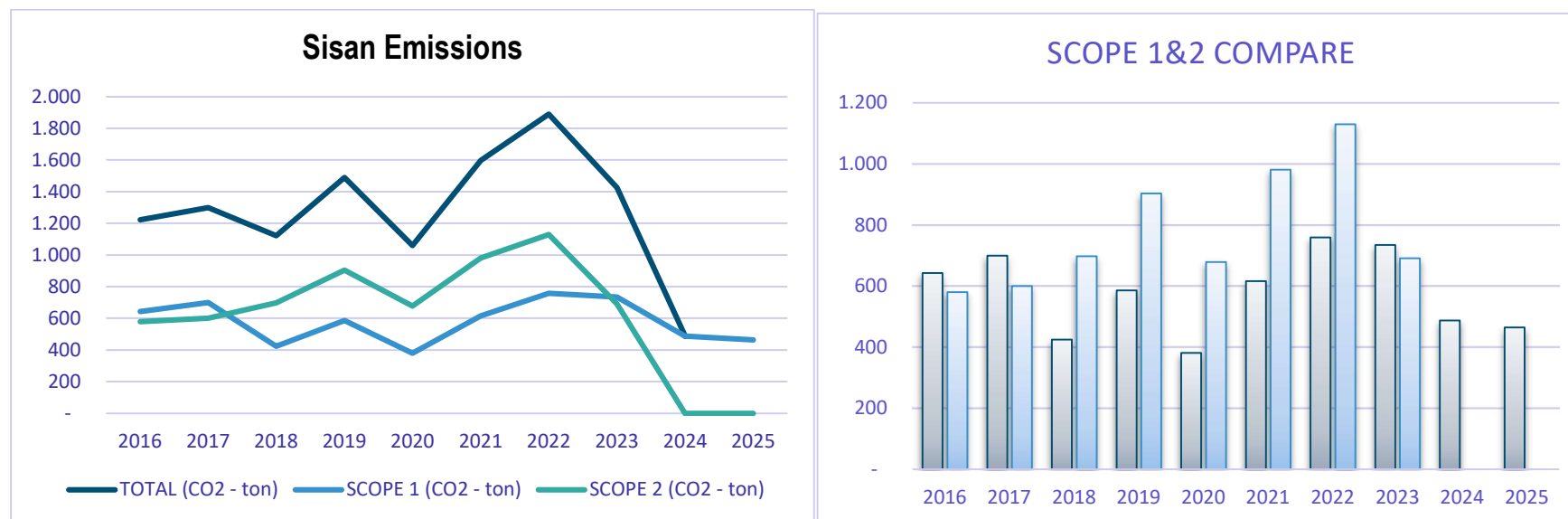
Emission reduction activities focus on:

- Reducing operational emissions
- Improving energy efficiency
- Increasing renewable energy utilization
- Reducing emissions from materials
- Collaborating with 33suppliers to improve value chain emissions

Sisan aims to become a climate-neutral company by 2040 through continuous improvement initiatives and decarbonization actions

Greenhouse Gas Emissions Overview

Emission Category	Description
Scope 1	Direct emissions from company-controlled sources
Scope 2	Indirect emissions from purchased energy
Scope 3	Other indirect emissions across the value chain



*Scope 3 emission calculation and improvement activities are ongoing

Scope 2 Emissions – Renewable Electricity and I-REC Certificates year 2025, representing 852.000000 MWh of electricity generated from renewable sources.

As Sisan, we are committed to reducing the environmental impact associated with our energy consumption and supporting the transition towards renewable energy sources. During the reporting period, 100% of the electricity consumed from the grid across our operations was covered by International Renewable Energy Certificates (I-RECs).

The purchased I-RECs represent the renewable energy attributes associated with an equivalent amount of electricity consumption and have been retired on behalf of Sisan for the relevant reporting period. In line with the GHG Protocol Scope 2 Guidance, these certificates have been considered in the calculation of our market-based Scope 2 emissions.

As a result of covering our total electricity consumption with I-REC certificates, Sisan's market-based Scope 2 emissions from purchased electricity are reported as zero (0 tCO₂e) for the reporting period. Location-based Scope 2 emissions are calculated and disclosed separately based on the applicable grid emission factors.

Through the use of renewable electricity certificates, Sisan continues to strengthen its climate strategy, improve energy-related environmental performance, and contribute to the global transition towards a low-carbon future.

GHG Reduction Roadmap

2025



— Renewable Electricity Transition

— Energy Efficiency Projects

— Operational Emission Reduction



2030



— Scope 3 Reduction Initiatives

— Supplier Engagement

— Low Carbon Supply Chain



2040

— Climate Neutral Company

4.3 Water Management

Water Management Approach

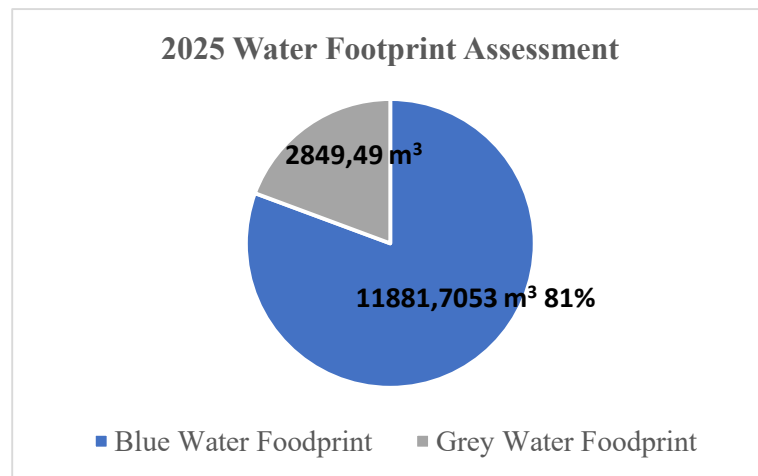
Sisan recognizes water as an important natural resource and manages water consumption through monitoring, measurement and continuous improvement initiatives.

The Company's water management approach focuses on:

- Reducing water consumption
- Improving resource efficiency
- Monitoring water usage indicators
- Increasing employee awareness regarding responsible water use

Sisan calculates and evaluates its water footprint in accordance with ISO 14046 Water Footprint principles.

Water Performance Indicators



Water Reduction Target

Water Management Target

Reduce water consumption intensity 50% by 2030
(Base Year: 2018)

4.4 Waste Management & Circular Economy

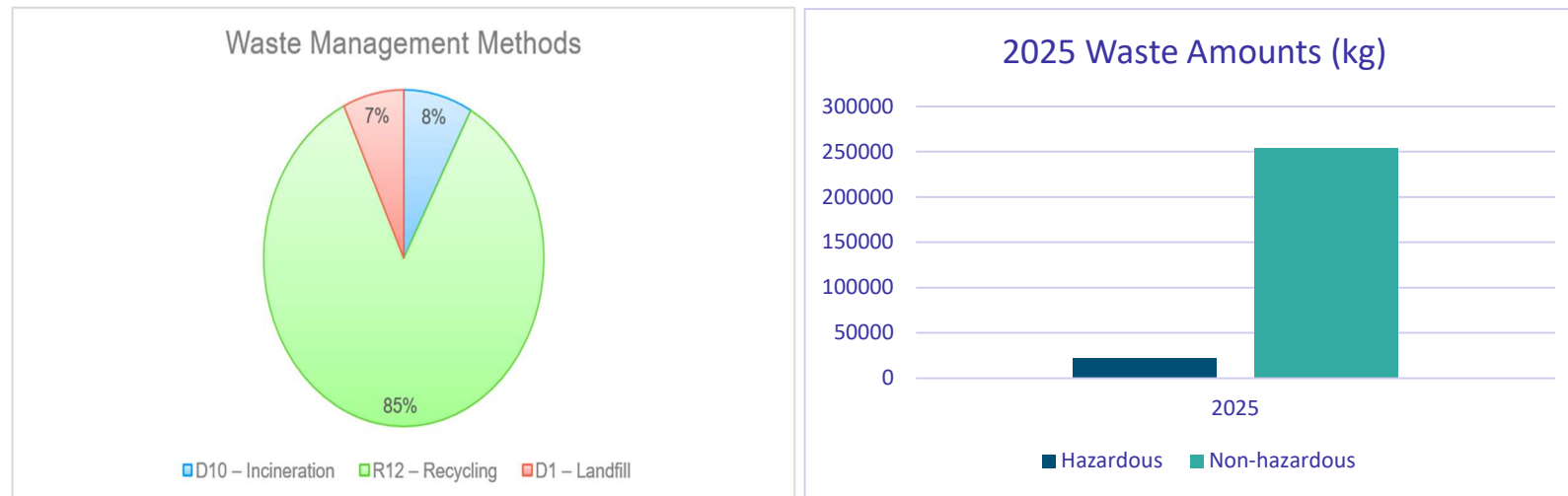
Waste Management Approach

Sisan applies responsible waste management practices to minimize environmental impacts and support circular economy principles.

Waste management activities focus on:

- Waste prevention
- Reduction of waste generation
- Recycling and recovery
- Responsible disposal of unavoidable waste

Waste management practices are implemented in accordance with applicable environmental regulations and aligned with the principles of GRI 306 Waste.



The chart below presents the quantities of hazardous and non-hazardous waste generated during 2025.

Waste Management Hierarchy



Circular Economy Targets

Target	Year	Status
Annual waste reduction improvement	2025-2030	In Progress
Recycled plastic usage 25%	2025	Achieved
Recycled aluminium usage 40%	2025	Achieved
Recycled steel usage 25%	2025	Achieved

5. Social Performance

Sisan recognizes employees as one of its most important stakeholders and considers social sustainability as a key element of responsible business management.

The Company aims to create a safe, inclusive and continuously developing working environment by respecting employee rights, supporting professional development and promoting equal opportunities.

Sisan's social sustainability approach is aligned with applicable Turkish legislation, International Labour Organization (ILO) principles, ISO management system requirements and relevant Global Reporting Initiative (GRI) Standards.

5.1 Labour Practices & Employee Rights

Sisan is committed to maintaining fair employment practices and providing a respectful working environment based on equal opportunity, employee rights and ethical principles.

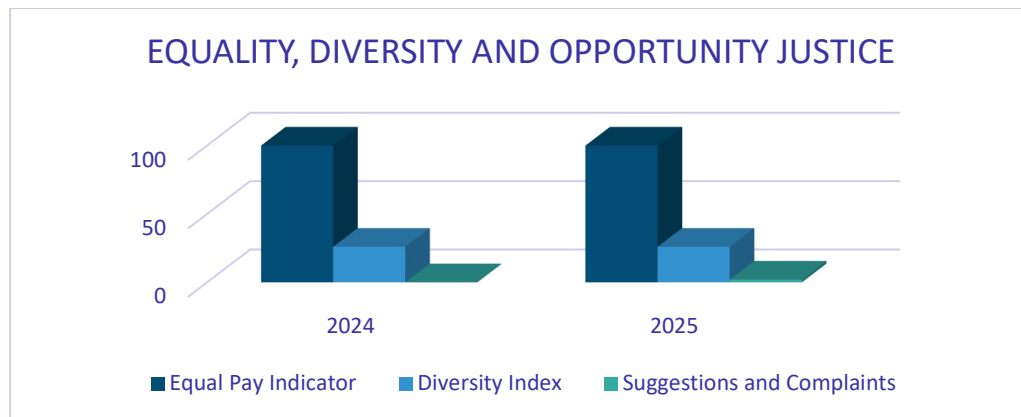
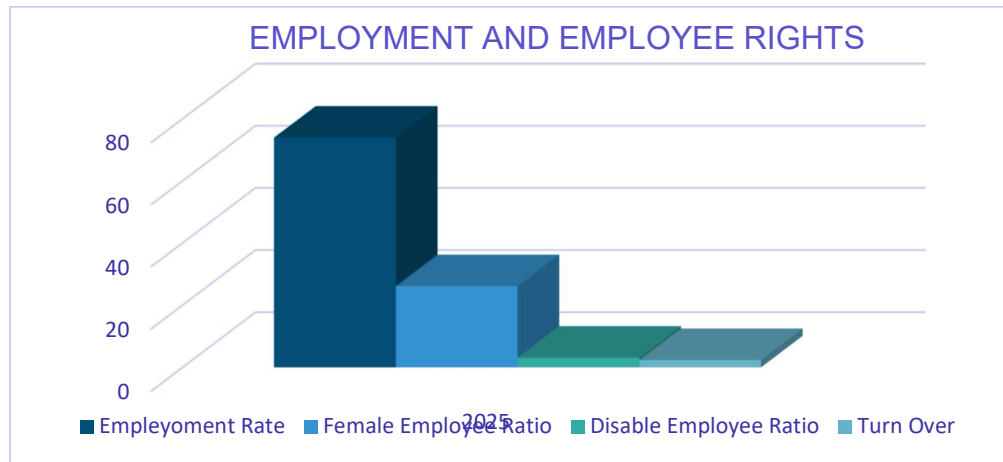
The Company conducts its labour practices in accordance with:

- Turkish Labour Law
- Applicable regulations of the Ministry of Labour and Social Security of Türkiye
- International Labour Organization (ILO) Fundamental Principles and Rights at Work
- GRI 401 Employment
- Sisan's approach covers:
- Fair employment conditions
- Working hours and employee benefits
- Equal opportunity
- Diversity and inclusion
- Prevention of discrimination and harassment
- Respect for employee rights

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- Fair employment conditions
- Working hours and employee benefits
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- Diversity and inclusion
- Prevention of discrimination and harassment
- Respect for employee rights



5.2 Occupational Health & Safety

Occupational Health & Safety Management Approach

Sisan is committed to providing a safe and healthy workplace for all employees and continuously improving its occupational health and safety performance.

The Company applies preventive approaches to identify workplace risks, reduce incidents and strengthen safety culture.

OHS management practices are aligned with:

- ISO 45001 Occupational Health and Safety Management System
- Occupational Health and Safety Law No. 6331 of Türkiye
- ILO Occupational Safety and Health Principles
- GRI 403 Occupational Health and Safety

Our Company is committed to providing a safe and healthy workplace for its employees. In line with this commitment, regular health and safety audits and site inspections are conducted across our global facilities to assess the effectiveness of our occupational health and safety management system

As part of our occupational health and safety performance monitoring, the frequency and severity of workplace incidents are regularly tracked and analysed. Following each workplace incident, root cause analyses are conducted, and corrective and preventive actions are planned, implemented, and monitored to prevent recurrence. These processes contribute to reducing occupational health and safety risks and support the continual improvement of our occupational health and safety performance.

OHS Management Practices

Sisan focuses on:

- Workplace risk assessments
- Safety training programs
- Incident investigation
- Root cause analysis
- Corrective and preventive actions
- Continuous improvement activities

Occupational Health & Safety Performance

Description	2025
Accident Frequency Rate ⁽¹⁾	2,82
Accident Severity Rate ⁽²⁾	0,42

*(1) Represents the number of lost-time injuries occurring per one million hours worked.

** (2) Measures the number of workdays lost as a result of workplace injuries.

5.3 Employee Development & Training

Training and Development Approach

We are committed to supporting the continuous development of our employees' knowledge, skills, and competencies through structured learning and development opportunities. Our training and development approach aims to enhance employees' professional capabilities, support career development, and strengthen organizational performance.

We provide regular training programs covering technical, professional, and personal development topics to help employees acquire the knowledge and skills required for their roles. In addition, we support career development through performance and development reviews, learning opportunities, and talent development practices, enabling employees to enhance their competencies and prepare for future responsibilities.



6. Ethics, Compliance & Governance

Sisan considers ethical business conduct, transparency and compliance as fundamental elements of sustainable value creation. The Company promotes responsible business practices through internal policies, employee awareness activities and compliance mechanisms.

Our Code of Ethics sets out the core principles that govern our business conduct and is applicable to all employees.

Our Code of Ethics includes;

- Sisan Principles of Ensuring and Maintaining a Fair Working Environment
- Sisan Privacy Principles
- Sisan Principles for Giving and Accepting Gifts
- Sisan Conflict of Interest Management Principles
- Sisan Principles for Use of Resources

6.1 Business Ethics & Code of Conduct

Ethical Business Conduct Approach

Sisan's Code of Ethics defines the principles governing business conduct and applies to employees and relevant business partners.

The Code covers:

- Fair working environment principles
- Privacy principles
- Conflict of interest management
- Gift and hospitality principles
- Responsible use of company resources
- Anti-corruption principles

Sisan's ethics approach is aligned with:

- United Nations Global Compact (UNGC) Principles
- United Nations Convention Against Corruption (UNCAC)
- OECD Anti-Bribery Convention
- GRI 205 Anti-corruption

6.2 Data Privacy & Information Security

Sisan manages information security and personal data protection risks to protect company information, customer data and stakeholder information.

The Company's approach is based on:

- Personal Data Protection Law No. 6698 (KVKK)
- ISO/IEC 27001 Information Security Management System
- Automotive cybersecurity expectations

Key focus areas:

- Data protection
- Information security awareness
- Cybersecurity controls
- Confidential information management

6.3 Compliance Management

Sisan monitors legal and regulatory requirements affecting its operations and ensures compliance through internal controls and management systems.

Compliance areas include:

- Regulatory compliance
- Competition law
- Export controls
- Sanctions compliance
- Anti-corruption requirements

7. Responsible Supply Chain Management

Sisan recognizes that sustainability performance extends beyond its own operations and actively works with suppliers and business partners to promote responsible practices throughout the value chain.

7.1 Supplier Sustainability Management

Supplier Management Approach

Sisan's Supplier Handbook defines sustainability expectations and supports supplier development activities.

Supplier management processes include:

- Supplier selection
- Supplier evaluation
- Supplier audits
- Supplier improvement programs

Supplier expectations cover:

- Environmental responsibility
- Labour and human rights
- Ethical business practices
- Information security
- Quality requirements

7.2 Responsible Sourcing

Sisan promotes responsible sourcing practices throughout its supply chain.

Key focus areas:

- Human rights protection
- Conflict minerals management
- Responsible mineral sourcing
- RBA requirements
- UN Global Compact principles

The Company's responsible sourcing approach is aligned with:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals
- Responsible Minerals Initiative (RMI)
- Responsible Business Alliance (RBA)

7.3 Supplier ESG Expectations

Supplier Sustainability Targets

KPI	Target
Supplier Sustainability Assessment	100% critical suppliers
Supplier Code of Conduct Acceptance	100% suppliers
Conflict Minerals Due Diligence	100% applicable suppliers

8. Product Responsibility & Customer Commitment

As an automotive supplier, Sisan considers product quality, safety and customer expectations as fundamental elements of responsible manufacturing.

8.1 Product Quality & Safety

Sisan continuously improves its manufacturing processes to ensure product reliability, safety and customer satisfaction.

Product responsibility practices are supported by:

- IATF 16949 Automotive Quality Management System
- ISO 9001 Quality Management System
- Customer Specific Requirements (CSR)

Key focus areas:

- Product quality
- Product safety
- Traceability
- Process reliability
- Customer satisfaction

8.2 Customer Sustainability Requirements

Sisan collaborates with customers to meet evolving sustainability expectations within the automotive industry.

The Company monitors:

- OEM sustainability requirements
- Customer sustainability assessments
- ESG performance expectations
- Customer audits and improvement programs

9. Appendices

9.1 GRI Content Index

The GRI Content Index provides references between Sisan's sustainability disclosures and relevant GRI Standards.

9.2 Policies & Certifications

Included documents:

- Sustainability Policy
- Environmental Policy
- Occupational Health & Safety Policy
- Code of Ethics
- Supplier Handbook
- Quality Management Certifications
- Environmental Management Certifications

9.3 Sustainability Definitions & Methodology

This section provides explanations regarding:

- GHG calculation methodology
- Scope 1, Scope 2 and Scope 3 definitions
- KPI calculation methods
- Reporting boundaries
- Data collection principles