FORD OTOMOTİV SANAYİ A.Ş.

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions
This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.
Terms of disclosure for corporate questionnaire 2024 - CDP

Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:
☑ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:
☑ USD

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:
☑ Publicly traded organization

(1.3.3) Description of organization

Ford Otosan (Ford Otomotiv Sanayi A.Ş.) is a publicly traded (18%) company, where Ford Motor Company (41%) and Koç Holding (41%) have equal shares. Ford Otosan, being one of the top 3 exporting companies of Türkiye since 2004, has achieved 12 consecutive years automotive industry championship and is Türkiye's export champion for 8 years in a row. Our Turkish and Romanian operations generated USD 10.2 billion in export revenues in 2023, which USD 7.2 billion was exports from Türkiye. According to 2023 data, we are Romania's second largest exporter. Ford Otosan, operates in 4 main centers: the Gölcük and Yeniköy Plants in Kocaeli, the Eskişehir plant in Eskişehir, the Sancaktape R&D Center and Spare Parts Warehouse in İstanbul, and the Craiova Plant in Romania. The company employs 23,701 people. With a market cap of USD 8.8 billion, Ford Otosan ranked as the most valuable automotive company and fifth overall among BIST companies. Ford Otosan has a global presence with a strong R&D organization in commercial vehicles, employing 2,089 R&D staff across the Sancaktepe, Gölcük, and Eskişehir R&D Centers, as well as the Middle East technical University (METU) Technocity office. Ford Otosan R&D Center is the global hub for heavy commercial vehicles and related power trains and also global spoke for light commercial vehicle development and diesel power train engineering. Ford Otosan, established in 1959, with its production capacity of 746,500 commercial vehicles and 437,500 engines and 140,000 rear axles by the end of 2023, is the biggest commercial vehicle production center of Ford in Europe. Ford Otosan Parts Distribution Center is the depot where all of the Company's spare parts, marketing, and sales and after sales operations are managed. Sancaktepe R&D Center was registered as an R&D Center in December 2014 by the Ministry of Science, Industry, and Technology, becoming Ford Otosan's second R&D Center following Gölcük. In 2023, Ford Otosan expanded its current portfolio by obtaining 26 patents, including 8 national and 18 international patents. Energy efficiency and reduction of greenhouse gas emissions efforts constitute the most important part of Ford Otosan activities for combating climate change. The Ford Motor Company and Koç Group's Climate Change Strategy provides our road map in this endeavor. This is why we constantly promote projects aimed at increasing efficiency in every level of our activities. Ford Otosan remains dedicated to contributing to Koç Holding's "Carbon Transition Program," aimed at realizing the 2050 carbon neutral target. Therefore, we actively follow, implement and support global sustainability initiatives such as the Science-Based Targets initiative (SBTi) and the Task Force on Climate-related Financial Disclosures (TCFD). As a company operating in the automotive industry, we closely monitor developments both on the national and international scales. We are dedicated to reducing the impacts of our products and operational processes on climate change. In this regard, our innovation efforts aimed at developing fuel-efficient vehicle technologies with low emission levels come into prominence. In

addition, the manufacturing phase plays a significant role in emissions. Opportunities for improvement include optimizing energy use, exploring alternative fuels and materials, and using recycling and recovery technologies to reduce waste generation, which further supports our sustainability goals. In 2020, we intensified our efforts in lean business processes, smart production methods, digitizing infrastructure, and culture of innovation, shaping the way we do business to create more value for all our stakeholders. Sourcing energy from renewable sources is our priority. Gölcük Plant is included in the World Economic Forum's (WEF) Global Lighthouse Network as a result of its Industry 4.0 activities and smart factory applications. Ford Otosan also traded on the Borsa Istanbul Sustainability Index, Borsa Istanbul Sustainability 25 Index, Borsa Istanbul Corporate Governance Index, and FTSE4Good Emerging Markets Index. Ford Otosan was included in the Bloomberg Gender-Equality Index for the third time with improved performance. In 2022, we declared our commitment to the Science-Based Targets initiative (SBTi) to set our short-term targets by adopting the approach to limiting global warming to 1.5C as defined in the Paris Agreement. All our calculations cover our locations in Türkiye and Romania.
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/30/2023	*Select from:* ☑ Yes	*Select from:* ☑ No

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

13992213960

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

XS2782775345

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

TRAOTOSN91H6

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

7890006XJG6ZE2H34671

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☑ Romania

☑ Turkey

(1.21) For which transport modes will you be providing data?

Select all that apply

☑ Light Duty Vehicles (LDV)

☑ Heavy Duty Vehicles (HDV)

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

☑ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☑ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

We make short- and long-term plans for the localization of imported product groups and prioritize the development of our local suppliers. Aiming to rank among the leading global supply chain organizations, we closely cooperate with our suppliers to manage every step of the value chain, from raw material sourcing and manufacturing the products to delivering the vehicles to the customers and providing aftersales services in a controlled and systematic way. We aim to reduce the financial pressures that our value chain may face by taking decarbonization steps, and prioritize cooperation with our suppliers more than ever. Our supplier sustainability program and carbon neutrality roadmap are overseen at the senior management level by the Ford Otosan Purchasing Leader (c-level). The Sustainability Committee, which convenes four times during the year, submits the current situation and its decisions to the Ford Otosan Leader (CEO), who may escalate the matters to the BoDs as needed. We began working toward our goal of becoming carbon neutral across the entire supply chain in 2022. Initially, we conducted sustainability assessments with pilot companies. In 2023, we expanded our questionnaire and organized awareness activities, such as Supplier Sustainability Conferences, online training, and workshops. In 2023, we also created a Net Zero Roadmap for key suppliers and updated existing procedures. Currently, 13 critical suppliers have set net-zero targets for 2050. As of year-end 2023, Ford Otosan works with 2,399 suppliers in total, including 1,971 local suppliers. We conduct annual risk analyses of our critical suppliers, then determine risk criteria, and update them monthly per each scope. Additionally, we completed the pilot study of our Predictive Risk Management system. In 2023, we made 203 visits to our suppliers for purposes such as performance improvement, new supplier preparation and induction audits, capacity analyses, and risk management, and six visits for Q1 certification. We design customer experiences that meet their expectations across all communication channels. We measure satisfaction and customer effort, turning feedback into action to address pain points. The customer journey begins when they connect with our brand and continues through purchasing, usage, service, and renewal. Our Customer Loyalty Teams work proactively to ensure seamless product and service benefits, providing immediate and permanent solutions to any issues.
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

	Plastics mapping	Value chain stages covered in mapping
	Select from: ☑ Yes, we have mapped or are currently in the process of mapping plastics in our value chain	*Select all that apply* ☑ Upstream value chain ☑ Downstream value chain

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

We define our own time frames according to the life of the assets, the sector base transitions, and the profile of the climate related risks we may face in our geographies. Climate related regulatory, operational and financial planning are conducted over a 5-year time frame in our organization.

Medium-term

(2.1.1) From (years)

5

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

We define our own time frames according to the life of the assets, the sector base transitions, and the profile of the climate related risks we may face in our geographies. Climate related strategic and capital planning are conducted over a 5-10 years' time frame in our organization.

Long-term

(2.1.1) From (years)

10

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ No

(2.1.3) To (years)

30

(2.1.4) How this time horizon is linked to strategic and/or financial planning

We define our own time frames according to the life of the assets, the sector base transitions, and the profile of the climate related risks we may face in our geographies. Climate related regulatory, operational and financial planning are conducted over a 10-30 years' time frame in our organization.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization’s process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ Other commercially/publicly available tools, please specify :TCFD - Task Force on Climate-related Financial Disclosures

Enterprise Risk Management

☑ Internal company methods

☑ ISO 31000 Risk Management Standard

Databases

☑ Nation-specific databases, tools, or standards

☑ Regional government databases

Other

☑ Desk-based research

☑ External consultants

☑ Internal company methods

(2.2.2.13) Risk types and criteria considered

Policy

☑ Other policy, please specify :Current regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Investors

☑ Regulators

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

The automotive industry is undergoing rapid change as new technologies emerge and policy makers pass new regulations. We closely follow the latest technological advancements in the world, especially developments such as the Carbon Border Adjustment Mechanism, which we expect to increase input costs in the automotive industry

in the coming years. We anticipate that the conflicts and rising tensions may deeply affect the electric vehicle market in 2024 since government subsidies for the private sector and the geopolitical risks across the world directly impact international trade. We follow the EU's Battery Regulation EU 2023/1542, published on July 28, 2023, closely. We also studied the requirements in terms of how the Turkish Regulation on Control of Waste Batteries and Accumulators (APAK) aligns with the EU Battery Regulation and submitted our opinions. In regard to the carbon footprint calculations and preparation for declarations specified in the EU Battery Regulation, we conducted a life cycle assessment on the battery of our Ford E-Transit, the first all-electric van produced in Türkiye. As a result of this assessment, we identified the hot spots that affect the carbon footprint of our batteries at the cell, module and package level. Ford Otosan Kocaeli Plants and Eskişehir Plant are subject to The Regulation on Monitoring, Reporting and Verification (MRV) of GHG Emissions, which is in force since 2014 in Türkiye and applies to emission intensive sectors. As is the case every year, the plants successfully passed the verification audits in 2023 and the relevant emission reports were submitted to the Ministry of Environment, Urbanization and Climate Change. Ford Otosan's compliance team follow all climate related regulations by using internal and external company-wide communication and all related worldwide information. ERM studies are reported to the EC. Amendments to the regulations are followed online and by e-mail. The action plan is always started with the initiation of related department.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ ISO 31000 Risk Management Standard

Databases

☑ Nation-specific databases, tools, or standards

☑ Regional government databases

Other

☑ Desk-based research

☑ External consultants

☑ Internal company methods

(2.2.2.13) Risk types and criteria considered

Policy

☑ Other policy, please specify :Emerging regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Investors

☑ Regulators

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:
☑ No

(2.2.2.16) Further details of process

Ford Otosan conducts emission reduction concept development, R&D and engineering studies to ensure that its Ford Trucks vehicles comply with the draft Euro 7 regulation for passenger cars and vans/heavy-duty commercial vehicles and buses. The draft Euro 7 regulation proposes to cut down NOx, hydrocarbon, carbon monoxide, PN and ammonia emission limit values by approximately half compared to Euro 6. Furthermore, the particle number (PN) limit covers particles over 23nm in Euro 6, while the draft Euro 7 regulation proposes to expand the scope to include particles over 10nm. For the first time it includes and sets limits for gases with high greenhouse gas effects, such as N2O and CH4. The on-board monitoring (OBM), expected to be introduced with Euro7, will monitor exhaust emission levels with NOx and PN sensors and ensure that emission targets are met throughout the life of the vehicle on the roads. Ford Otosan is currently working on R&D, concept and engineering development to align with the emission reduction targets proposed in the Euro 7 regulation. The EU Commission announced the Green Deal in 2019. Climate Law, EU Industrial Strategy, Sustainable and Intelligent Transportation, Inclusion of transportation in the ETS, Energy, Fair Transition Fund, Financing, Carbon Regulation at the Border, etc. are all part of the plan. Green Deal and CBAM announced in 2021 has the potential to directly affect Ford Otosan. Ford Otosan signed European Automobile Manufacturers' Association's "Transition to zero-emission mobility" statement, demonstrating its commitment to transitioning to non-fossil fuel technologies in the heavy commercial fleet by 2040 and reducing its carbon footprint to zero by 2050 in compliance with the Green Deal. In Phase 2 of the PMR project by MoEUCC, extensive studies were carried out to establish the legal and technical infrastructure for the implementation of the pilot ETS. With these studies, the legal and institutional infrastructure has been established for the implementation of the ETS in Turkey. The National MRV regulation is likely to be revised; which may bring different emission quotas forcing our industry to face a carbon cap allocation. Quotas may cause an increase in operational cost. A carbon trading system has emphasized in the Green Deal Action Plan published by the Ministry of Commerce in 2021. As of 2023, Turkish Government is woring on a national Climate Law that aims to reduce the country's impact on climate change. We are members of the Green Deal Task Force and National Carbon Pricing Working Group and attend the meetings organised by the MoEUCC and UNDP to share our opinions for the National Climate Adaptation Strategy and Action Plan as well as Türkiye's Nationally Determined Contributions (NDCs) and the Long-Term Climate Change Strategy Project.

Row 3

(2.2.2.1) Environmental issue

Select all that apply
☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply
☑ Risks
☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ Internal company methods

Databases

☑ Nation-specific databases, tools, or standards

☑ Regional government databases

Other

☑ Desk-based research

☑ External consultants

(2.2.2.13) Risk types and criteria considered

Policy

☑ Carbon pricing mechanisms

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Investors

☑ Regulators

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Regulatory changes introduced to promote transition to low carbon in organizations' operations and supply chains (e.g. Green Deal, Paris Agreement, Greenhouse Gas Emissions limits and carbon taxes, Emissions Trading System (ETS), Carbon Border Adjustment Mechanism (CBAM) etc.) With 2017 taken as baseline, a simulation study was conducted for the emission amounts that may occur in 2025, 2030, 2040 and 2050, including future carbon pricing. Accordingly, the amount of prospective carbon tax based on our future greenhouse gas emissions was calculated.

Row 4

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ TNFD – Taskforce on Nature-related Financial Disclosures

☑ WRI Aqueduct

Enterprise Risk Management

☑ Enterprise Risk Management

☑ Internal company methods

☑ ISO 31000 Risk Management Standard

☑ Risk models

Other

☑ Scenario analysis assessment
☑ Desk-based research consultation/analysis
☑ External consultants
☑ Materiality assessment
☑ Internal company methods
☑ Jurisdictional/landscape
☑ Partner and stakeholder

(2.2.2.13) Risk types and criteria considered

Reputation

☑ Other reputation, please specify **:**Reputational risks as a result of failing to transition to a low carbon economy

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers
☑ Employees
☑ Investors
☑ NGOs
☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Reputational risks refer to the loss that may arise due to the decline of confidence that investors, insurance companies and lending institutions have in companies or damage to the reputation of companies. Reputational risks may lead to loss of social prestige, a decrease in demand for products and services, and negatively impact competitiveness. Using the Trucost analysis, we determined the company's carbon intensity and Scope 1 & 2 emissions pathway compared to the industry group and similar companies in the industry. Climate Strategy Score (S&P Global SAM) was measured.

Row 5

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change
☑ Water

☑ Plastics

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ WRI Aqueduct

Enterprise Risk Management

☑ Enterprise Risk Management

☑ Internal company methods

☑ ISO 31000 Risk Management Standard

☑ Risk models

Other

☑ Scenario analysis

☑ Partner and stakeholder consultation/analysis

☑ Desk-based research

☑ External consultants

☑ Materiality assessment

☑ Internal company methods

(2.2.2.13) Risk types and criteria considered

Reputation

☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

☑ Other reputation, please specify **:**Reputation damage

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Investors

☑ NGOs

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Reputation risks for our sector represent consumer preferences with perception and stakeholder concerns. Formation of new climate related legislation may lead to reputation risks for Ford Otosan if any noncompliance occurs. If competitors in the sector have a technological advantage related to climate change, this would lead a reputation risk for Ford Otosan. All environmental performance data is shared transparently via the integreted annual report and CDP reports. The potential risks and opportunities are assessed in Board level, for decision making purpose. This risk driver is aligned with Ford Global; it is often tied to other risks such as meeting product emission targets or sales volumes for environmentally friendly vehicles. and it is always under the oversight of board chair. As a result of failing to transition to a low-carbon economy, reputational risks could arise. Reputational risks refer to the loss that may arise due to the decline of confidence that investors, insurance companies and lending institutions have in companies or damage to the reputation of companies. Reputational risks may lead to loss of social prestige, decrease in demand for products and services, and negatively impact competitiveness. Using the Trucost analysis, we determined the Ford Otosan's carbon intensity and Scope 1 & 2 emissions pathway compared to the industry group and similar companies in the industry. Climate Strategy Score (S&P Global SAM) was measured.

Row 6

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ ISO 31000 Risk Management Standard

Other

☑ Desk-based research

☑ External consultants

☑ Internal company methods

☑ Materiality assessment

(2.2.2.13) Risk types and criteria considered

Technology

☑ Transition to lower emissions technology and products

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Investors

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Transportation vehicles contribute significantly to global emissions. Therefore, reducing carbon emissions from transportation vehicles is of critical importance in achieving the net zero economy targets. At Ford Otosan, we take responsibility for leading the sector beyond simply contributing to the transformation in the automotive

industry in tackling global climate change with our Future. Now vision. Accordingly, we take actions to reach our carbon transition, waste, circular economy, and water targets already today with our vision, "Future. Now For Environment". Under our Future. Now vision, we disclosed our long-term sustainability targets in 2022 that will also contribute to our Net Zero commitment in alignment with the 1.5C goal. With our short-term SBTi targets, we commit to: • Reducing absolute Scope 1 and 2 GHG emissions by 78% by 2030 from a 2017 base year across our Türkiye and Romania locations. • Reducing Scope 3 GHG emissions from the use of sold products by 50% per vehicle kilometer by 2030 from a 2021 base year. Ford Otosan Climate Change Action Plan; consists of two basic components, products and operations. Investments in R&D infrastructure is always the indicator of our business continuity. A technological risk potential is always present due to the competitors gaining a competitive advantage and alternatives in terms of climate change in the sector. We have three R&D centers, certified by the Ministry of Industry and Technology: Sancaktepe, Eskişehir, and Gölcük. In 2023, we expanded our current portfolio by obtaining 26 patents, including 8 national and 18 international patents. Ford Otosan assumes important duties as a partner and coordinator in many EU-funded local and international research projects and local R&D projects, which focus on the exploration and development of alternative technologies, including electric, hybrid and fuel cell vehicles. Ford Otosan completed the Horizon 2020 program with 20 projects and Euro 7.73 million funding in total, becoming this program's highest funded industrial company in Türkiye. As announced on TÜBİTAK's official website on October 26, 2023, we rank first among the industrial companies that have received the highest funding with a total of Euro 7.27 million for 16 projects within the Horizon Europe program. As of year-end 2023, the number of our Horizon 2020 and Horizon Europe projects stands at 39, including 13 completed, 18 ongoing, and eight accepted and planned to launch in 2024. The potential risk & opportunities related to the products was deducted and assessed with the support of R&O department and discussed in EC and Board level Committee meetings. Monitoring of the risks & opportunities was realized in Board-level, for decision making purpose.

Row 7

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ ISO 31000 Risk Management Standard

Other

☑ Desk-based research

☑ External consultants

☑ Internal company methods

☑ Materiality assessment

(2.2.2.13) Risk types and criteria considered

Technology

☑ Other technology, please specify :Technological transition risk

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Investors

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Addressing technology risks refers to the need to mitigate the effects of climate change by displacing existing products and technologies. We support the transition to low-emission technologies in our products and services by engaging in activities and studies for this purpose. As a result of these activities, our Electric Ford Transit product has been found to comply with the EU Taxonomy's reduction criteria.

Row 8

(2.2.2.1) Environmental issue

Select all that apply
☑ Climate change
☑ Water
☑ Plastics
☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply
☑ Risks
☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply
☑ Direct operations

(2.2.2.4) Coverage

Select from:
☑ Full

(2.2.2.7) Type of assessment

Select from:
☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:
☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

(2.2.2.10) Integration of risk management process

Select from:
☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply
☑ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management
☑ Internal company methods
☑ ISO 31000 Risk Management Standard

Other
☑ Desk-based research
☑ External consultants
☑ Materiality assessment

(2.2.2.13) Risk types and criteria considered

Market
☑ Availability and/or increased cost of raw materials
☑ Changing customer behavior

(2.2.2.14) Partners and stakeholders considered

Select all that apply
☑ Customers
☑ Investors
☑ Regulators
☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:
☑ No

(2.2.2.16) Further details of process

Analyses of the impacts of possible global market changes is always in our concern when reviewing our Business Plans with our climate goals. Market risks for our sector represent increased R&D costs due to customer behavior/societal changes and digitization, increased raw material&energy, water costs and uncertainty in market

signals. Consideration of the environmental impact and the preference of vehicles with low fuel consumption have led us to focus on the development of new engines and systems for fuel efficiency and the reduction of GHG arising from the fuel consumption of vehicles. There are different working groups working on the issues as well as international projects that we have the chance to work with different technically competent partners from Europe. We aim to increase market share, create new markets, gain competitive advantage, keep customer satisfaction at the highest level and create efficiency within the organization. We continue R&D studies on connected vehicles, autonomous vehicles, EV, electrification, smart production methods, customer experience improvement, digital transformation and smart mobility solutions in order to respond quickly to the technological transformation in the sector.

Row 9

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ ISO 31000 Risk Management Standard

Other

☑ Desk-based research

☑ External consultants

☑ Internal company methods

☑ Materiality assessment

(2.2.2.13) Risk types and criteria considered

Market

☑ Other market, please specify **:**Major suppliers' carbon pricing risks

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Investors

☑ Regulators

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Refers to the risks that the major suppliers may face in their financial status due to adverse effects of market volatility. We calculated the projections of our suppliers' financial risks using Trucost's "EBITDA at Risk" metric and assessed the potential impact on companies' earnings today if companies pay a price for their greenhouse gas emissions in the future. This assessment allows us to identify the value chain exposed to carbon pricing risks under the 2C scenario.

Row 10

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ Enterprise Risk Management

☑ ISO 31000 Risk Management Standard

(2.2.2.13) Risk types and criteria considered

Liability

☑ Other liability, please specify **:**Legal risks

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Investors

☑ Regulators

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Legal risks for our sector represent big costs for complying with regulation and deviation from our rating performance. The legal issues related to the product are assisted by the homologation team, and the operational legal issues are followed by the environmental team. Two basic directives (443/2009/EC & 510/2011/EC) are the regulatory arrangements of EU on CO2 reduction targets with their implementation for all producing industries. Ford Otosan complies with existing legislation such as Directive 1999/94/EC on fuel economy labels in Europe; This directive is not compulsory in our country. There is no labeling system but the CO2 level is calculated and declared by producers. This country specific difference may pose some regulatory, taxation or other market conditions related risks in global and national base. The absence of standardized global criteria for labeling legislation and climate policy may lead to big costs for complying with individual regulations and also may deviate our rating performance. We are working parallel to Ford Europe.

Row 11

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ TNFD – Taskforce on Nature-related Financial Disclosures

Enterprise Risk Management

☑ Enterprise Risk Management
☑ Internal company methods
☑ ISO 31000 Risk Management Standard
☑ Risk models

International methodologies and standards

☑ ISO 14001 Environmental Management Standard
☑ Life Cycle Assessment

Other

☑ Desk-based research
☑ External consultants
☑ Internal company methods
☑ Materiality assessment
☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Heat waves
☑ Heavy precipitation (rain, hail, snow/ice)

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers
☑ Employees
☑ Investors
☑ NGOs
☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Regarding Ford Otosan's physical risks, Trucost conducted a study on the impact of different climate risks on assets according to three different global warming scenarios. These risks include water stress, flooding, cold

weather and heat waves, hurricanes, wildfires and rising sea levels. The analysis of physical risks considered three different climate scenarios adopted by the Intergovernmental Panel on Climate Change (IPCC): 1. Low Climate Change Scenario (2C) (RCP1 4.5): Envisions strong mitigation efforts to cut carbon emissions to half of current levels by 2080. This scenario estimates that warming by 2100 is more likely to exceed 2C. 3. High Climate Change Scenario (4C) (RCP1 8.5): Envisions no changes in current carbon emission levels. This scenario estimates that global warming will exceed 4C by 2100. Ford Otosan's exposure to physical risks is at similar levels in low, medium and high scenarios. According to the medium climate scenario, the risks with the highest impact are water stress and heat/cold weather waves, respectively. Flooding, rising sea levels and hurricanes rank as the lowest physical risks.

Row 12

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ TNFD – Taskforce on Nature-related Financial Disclosures

☑ WRI Aqueduct

Enterprise Risk Management

☑ Enterprise Risk Management

☑ Internal company methods

☑ ISO 31000 Risk Management Standard

☑ Risk models

Other

☑ Desk-based research

☑ External consultants

☑ Internal company methods

☑ Materiality assessment

☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Flood (coastal, fluvial, pluvial, ground water)

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers
☑ Employees
☑ Investors
☑ NGOs
☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Regarding Ford Otosan's physical risks, Trucost conducted a study on the impact of different climate risks on assets according to three different global warming scenarios. These risks include water stress, flooding, cold weather and heat waves, hurricanes, wildfires and rising sea levels. For our sector acute physical risks represent extreme weather events which can result big acute damages to our facilities, operations and products. Within the automotive manufacturing sector, water consumption is vital for different processes; surface treatment, washing, rinsing, painting, cooling and machining of tools. It is important to take into account the impact of increasing water stress to Ford Otosan processes. According to the assessment results, Ford Otosan's overall physical risk score is at a medium level, with the main risk identified as water stress. In addition to this study, Ford Otosan has determined that all of its facilities in Türkiye are located in the Marmara and Sakarya basins, known as high water-stressed basins.

Row 13

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change
☑ Water
☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies
☑ Impacts
☑ Risks
☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ TNFD – Taskforce on Nature-related Financial Disclosures

Enterprise Risk Management

☑ Enterprise Risk Management

☑ Internal company methods

☑ ISO 31000 Risk Management Standard

☑ Risk models

International methodologies and standards

☑ ISO 14001 Environmental Management Standard

☑ Life Cycle Assessment

Other

☑ Desk-based research

☑ External consultants

☑ Internal company methods

☑ Materiality assessment

☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Chronic physical

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

☑ Groundwater depletion

☑ Increased severity of extreme weather events

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Investors

☑ NGOs

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

For our sector chronic physical risks are extreme weather events which can result in continuous damages to our facilities, operations and products. Big changes in energy management system could cause big operational and infrastructure costs. Due to high temperatures as new normal, there is also a risk in the use of well water due to drought. Waste water recovery projects are also being studied for this risk. There may be problems to supply water resources because of using underground water quota change and allocation in basin management. Besides this, high air temperatures pose a risk to occupational health and safety. Hot weather conditions are affecting employees' health negatively. This can cause the production to slow down or to stop. Counter chronic weather conditions or other illnesses our employees are protected by the precautionary activities of our OHS department. This risk assessment is always updated based on new data and takes into account the risk of exposure to related events. For example, pregnant or chronically ill people are granted administrative leave on very hot days.

Row 14

(2.2.2.1) Environmental issue

Select all that apply

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Medium-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ WRI Aqueduct

Enterprise Risk Management

☑ Enterprise Risk Management

☑ Internal company methods

(2.2.2.13) Risk types and criteria considered

Chronic physical

☑ Declining water quality

☑ Groundwater depletion

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ NGOs

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Water utilities at a local level

☑ Other water users at the basin/catchment level

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Ford Otosan reviewed its operations by using Global Water Tool, Aqueduct for the purpose to determine the facilities status in basin context. Selected contextual issue will be relevant, always included in our risk management, as we set-up water intensity targets. We use tools and methods offering the strongest basis for establishing such targets and prioritizing challenges facing local water resources. With the variables we are able to develop future risk profiles. In reference WRI - Aqueduct Risk Atlas, we are located in a region having a profile from medium to high-risk exposure. We use also the data generated from Turkish State Hydraulic Water Works Administration determining the requirements of national and international regulations, the revision of new projects with regards to environment and energy, examination of energy identity file and identification of standard documents are issues dealt with as part of environmental examinations and evaluations identifying, assessing, and responding to water related risks within our direct operations. We are committed to supporting long-term projects through collaborations to develop solutions for the protection of water resources, tackling droughts, and joining forces for efficient use of water. In 2023, fresh water use per vehicle was 3.318 m3 in Türkiye and 2.634 m3 in Romania. We aim to recover the effluents from the existing treatment and backwashing processes and the domestic wastewater while reducing fresh water withdrawal by nearly 40%. In order to reach Ford Otosan's target of reducing fresh water consumption per vehicle by 40% by 2030. We recycle/reuse 255,318 m3 water within the production cycle in 2023 at our Kocaeli, Eskişehir and Craiova Plants.

Row 15

(2.2.2.1) Environmental issue

Select all that apply

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Medium-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ WRI Aqueduct

Enterprise Risk Management

☑ Enterprise Risk Management

☑ Internal company methods

(2.2.2.13) Risk types and criteria considered

Chronic physical

☑ Declining water quality

☑ Groundwater depletion

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ NGOs

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Water utilities at a local level

☑ Other water users at the basin/catchment level

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

The inspection of water related performance data for all Q1 suppliers is our measure of success. Since 2019 all related audits were completed; water related risk assessments were embedded in HSE documents of Q1 suppliers.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

Assessing the interconnections between environmental dependencies, impacts, risks, and opportunities requires a multidisciplinary and holistic approach that combines various tools and methods. As Ford Otosan, the tools and methods we use to assess environmental risks, and opportunities are as follows: Materiality Assessment, Life Cycle Assessment (LCA), Environmental Risk Assessment, Integrated Reporting and Metrics (using key performance indicators -KPIs- to measure progress against sustainability goals), Stakeholder Engagement, Scenario Analysis, and Benchmarking.
[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:
☑ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply
☑ Direct operations

(2.3.3) Types of priority locations identified

Sensitive locations
☑ Areas of limited water availability, flooding, and/or poor quality of water

Locations with substantive dependencies, impacts, risks, and/or opportunities
☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

(2.3.4) Description of process to identify priority locations

In our risk procedure, we try to act by using the best available techniques in accordance with pollution prevention principle based upon Basin Management Approach. In the risk process; performing projects priority areas are determined by analysing the current water resources. Then, studies aiming reduction at source, reuse or recovery are carried out. Waste management, water and waste water management and related legal issues are identified, classified and differed from other risks by the risk management team at asset level. Ford Otosan's exposure to physical risks is at similar levels in low, medium and high scenarios. According to the medium climate scenario, the risks with the highest impact are water stress and heat/cold weather waves, respectively. Flooding, rising sea levels and hurricanes rank as the lowest physical risks. The analyses covered six Ford Otosan locations in Türkiye, including R&D, training, marketing and manufacturing sites. According to the medium (2C) scenario, Ford Otosan's Gölcük, Yeniköy and Eskişehir sites would be exposed to high levels of water stress. Water quality and quantity are critically important for Ford Otosan's production processes. Water resources are used directly in production processes, including finishing, washing, rinsing, body painting, processing of powertrain parts and cooling, to ensure the continuity of operations. Ford Otosan has determined that all of its facilities in Türkiye are located in the Marmara and Sakarya basins, known as high water-stressed basins. The Marmara basin, where the Kocaeli plants and the Sancaktepe complex are located, is a high risk (40%-80%) region, while the Sakarya basin, where the Eskişehir plant is located, is an extremely high risk (80%) area. On the other hand, the Craiova plant in

Romania was assessed to have low water risk (2C), the World Resources Institute (WRI) anticipates that water supply in the region where both the Gölcük and Yeniköy plants are located will decrease by approximately 20% compared to current water supply levels by 2040. In contrast, the water demand (domestic, industrial, irrigation, animal husbandry, etc.) is expected to increase by more than 40% compared to 2010 levels.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☑ No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Revenue

(2.4.3) Change to indicator

Select from:

☑ % decrease

(2.4.4) % change to indicator

Select from:

☑ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

Ford Otosan defines substantive financial impact on its business as the change in operational costs which could occur because of a large impact on the business units affected by climate related physical conditions. Climate related negative reputation risks may have a substantive impact on our customers and shareholders concerns resulting with a loss in profitability and market value. Risk tolerance of Ford Otosan can be defined as an

appropriate level of physical disability to operate in the facility that does not have a significant impact on the company. In Ford Otosan the substantive financial/strategic impact is related with the risk tolerance level and is defined according to financial loss. Revenue loss over 15 M is considered as substantive financial impact. We have defined substantial change as 1% change in our business, operation, revenues or expenditure from risk exposure. For example, losing production at a Ford assembly plant, which would amount to greater than 1% of total vehicle production, would have a substantive financial and strategic impact on our business. Risks are defined within the Risk Management system, created in accordance with the IS031000 Risk Management standard. Their root causes and impacts are analysed, controls are determined, and actions are taken to mitigate potential effects and probabilities. The Early Determination and Management of Risk Committee is responsible for assessing and managing the relevant risks and opportunities.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

We have defined substantial change as 1% change in our business, operation, revenues or expenditure from risk exposure. We identify the opportunities within the company with a similar approach and take actions to implement them. The opportunities are evaluated by related departments. If there are new opportunities detected for long-term time horizon, they are included in the annual budget planning after the decisions of Board of Directors. Sustainability strategy, implemented in line with the company strategy, and our long-term goals. We believe that the relevant targets should be integrated into the performance scorecards of the senior management for the company to implement its long-term strategies and achieve the annual targets. Therefore, we added the ESG KPIs to Ford Otosan Leader's (CEO) performance scorecard in line with the Future. Now sustainability strategy, implemented in line with the company strategy, and our long-term goals. At Ford Otosan, responsibility for sustainability management rests with the Board of Directors, which is tasked with enhancing the company's environmental, social, and economic performance. This includes reviewing strategic plans, which are integrated into the energy, environment, and product-based research and development aspects. The Board also ensures that sustainability and climate-related issues are duly considered in resource allocation decisions, reflecting our dedication to responsible stewardship of resources. On the other hand, the Early Determination and Management of Risk Committee is responsible for assessing and managing the relevant risks and opportunities.
[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☑ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

We have in place an online system that continuously measures various pollution parameters such as COD, pH, TSS, and fluoride in industrial wastewater and domestic wastewater at the discharge points of the plants. Our wastewater treatment facilities collect samples and conduct analyses according to the Water Pollution and Control Regulation at least once a month with the assistance of authorized companies, providing us with reports. We also perform daily, weekly, and monthly analyses in our treatment plant laboratories.
[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

☑ Inorganic pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Our wastewater treatment facilities collect samples and conduct analyses according to the Water Pollution and Control Regulation at least once a month with the assistance of authorized companies, providing us with reports. We also perform daily, weekly, and monthly analyses in our treatment plant laboratories. Potential water pollutants include inorganic substances such as zinc, nickel, and copper. These pollutants can be harmful to surrounding water resources and ecosystems. In our manufacturing process, water is used for washing, surface treatment, coating, and cooling air conditioning systems. These activities generate significant amounts of wastewater, which can potentially carry heavy metals.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

The major part of Ford Otosan's waste-water is discharged into the sewage water system. The Ford Otosan measures water discharged separated into domestic wastewater and industrial wastewater. We use discharge treatment processes to ensure compliance with regulatory requirements across all our facilities.

Row 2

(2.5.1.1) Water pollutant category

Select from:

☑ Oil

(2.5.1.2) Description of water pollutant and potential impacts

Our wastewater treatment facilities collect samples and conduct analyses according to the Water Pollution and Control Regulation at least once a month with the assistance of authorized companies, providing us with reports. We also perform daily, weekly, and monthly analyses in our treatment plant laboratories. By establishing control limits beyond compliance with regulatory requirements, we aim to deliver higher-quality wastewater to the receiving environment or sewage system. Furthermore, we have developed projects to recycle these wastewaters, intending to reduce our water consumption. For the treatment of oily wastewater, we utilize units such as acid cracking and ultra-filtration (UF) to efficiently separate oil from water and enable the recovery of the oil as waste. At the discharge outlets of Gölcük and Yeniköy Wastewater Treatment facilities, we have online equipment that continuously measures control parameters such as Chemical Oxygen Demand (COD) and pH. If these parameters approach the control limits, the system is automatically shut down and taken offline, prompting a reapplication of the treatment process.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Beyond compliance with regulatory requirements

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

Wastewater is discharged in compliance with the reference values specified in the Regulation on Water Pollution Control and the Regulation on Wastewater Discharge into sewage. Compliance with limit values is measured and ensured through regular tests.
[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Regarding waste and circular economy, we have committed to fully implementing a zero-waste policy in the regular storage areas within our operations by 2030. Accordingly, Ford Otosan will completely eliminate single-use plastics from personal consumption and increase the rate of recycled and renewable plastics in the plastic parts of the vehicles produced at our plants to 30%.
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Romania

☑ Turkey

(3.1.1.9) Organization-specific description of risk

Regulatory changes introduced to promote transition to low carbon in organizations' operations and supply chains (e.g. Green Deal, Paris Agreement, GHS Emissions limits and carbon taxes, ETS and CBAM). With 2017 taken as baseline, a simulation study was conducted for the emission amounts that may occur in 2025, 2030, 2040 and 2050, including future carbon pricing. Accordingly, the amount of prospective carbon tax based on our future GHG was calculated. Ford Otosan is in the scope of MRV. The National MRV regulation is likely to be revised; it may bring different emission quotas forcing our industry to face a carbon cap allocation. Additional quotas may cause an increase in operational cost. We are members of the TUSIAD Green Deal Task Force and National Carbon Pricing Working Group and attend the meetings organised by the Ministry to share our opinions for the National Climate Adaptation Strategy and Action Plan as well as Türkiye's NDC and the Long-Term Climate Change Strategy Project. Ford Otosan is aware that this risk could increase the operational expenses in mid-term time horizon. It is planned that the emission trading system will come into effect in Turkey in 2026. Since our production facilities are included in the scope of MRV, they may be required to pay carbon tax after 2026. In 2026, the carbon tax implementation will be launched the scope of C category plants. Moreover, the tax process will be affected our production plants in mid-term.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Virtually certain

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

With the full implementation of CBAM, the organization will likely face direct financial impacts from the purchase of CBAM certificates. Ford Otosan's operational expenses are expected to rise due to higher carbon taxes. These increases may reduce profit margins and put additional pressure on cash flows.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

1030000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

1030000

(3.1.1.25) Explanation of financial effect figure

As part of the Corporate Risk Management System, we develop scenarios, including the carbon pricing scenario under 1.5C and tests to analyze the effects of exchange rate fluctuations, SCT, parts availability, fuel price spikes on the market and sales, changes in the Turkish economy, raw material availability and interest rates, evaluating and managing the financial and non-financial risks. Ford Otosan has worked with external consultants on the possible financial risks of enterprise carbon pricing risk in 2023. The lowest average carbon price risk for Ford Otosan's operating locations 11 /ton CO2 and the highest is 96.3 /ton CO2 for the year of 2025. Ford Otosan's MRV covered total Scope 1 CO2-e emissions were 131,962 tons in 2023. In 2026, the total tax expected to be paid for the Craiova factory under CBAM is approximately USD 1,030,000.

(3.1.1.26) Primary response to risk

Pricing and credits

☑ Implement internal price on carbon

(3.1.1.27) Cost of response to risk

(3.1.1.28) Explanation of cost calculation

In 2021, the transition to the revised system standard was realized. The cost of managing and reducing the magnitude of this risk is approximately USD 19,940. It covers the certification costs for establishing the revised ISO 50001:2018 Energy Management System, the ISO 14064 Greenhouse Gas Management System, MRV activities, and verification of the integrated report. We will conduct due diligence for suppliers on parts covered by CBAM. Suppliers are required to start CBAM reporting based on greenhouse gas emission calculations as of July 2024. Action plans are requested from suppliers (manufacturers) to achieve net-zero by 2034. Suppliers must report regularly every quarter and comply with CBAM carbon emission requirements. At Ford Otosan, we are working with a third-party firm for due diligence. In this study, we aim to inform and guide suppliers so that they can report within the scope of CBAM. In this context, the amount spent in 2023 was USD 75,740.

(3.1.1.29) Description of response

In line with our 2030 target of becoming carbon neutral in all manufacturing sites and R&D center in Türkiye, all the electricity used in these facilities is procured from 100% renewable sources. In 2022, we declared our commitment to the SBTi to set our short-term targets by adopting the approach to limiting global warming to 1.5C as defined in the Paris Agreement. In addition to setting our short-term targets as a priority and moving to the assessment stage, we also work toward our long-term targets. The submissions were completed in January 2023. Due to a change in methodology introduced in 2024, we completed the application process for short- and long-term targets in September 2024. According to the calculations covering Türkiye and Romania sites, we are committed to reducing Scope 1 and 2 GHG emissions by 78% by 2030, compared to the 2017 base year, and Scope 3 GHG emissions from the use of sold vehicles by 50% per vehicle kilometer by 2030, compared to the 2021 base year. Internal carbon pricing studies have been reviewed and activities have been carried out to include the impact of carbon in the decision-making mechanism more prominently when considering new investments. In order to minimize the risk, we are in an active engagement with governmental authorities and our partners; Koç Holding and Ford Motor Company for the fulfillment of legislative and regulatory processes. We share our expertise and perspective to the policy making process with the general direction of decreasing CO2 emissions by our own science-based approach. In the Automotive Manufacturers Association (OSD) monthly environmental committee meetings, detailed sector-based interviews are always in the agenda with the participation of other automotive companies. Joint collaborations are discussed at this stage for the purpose to assess the risks and opportunities of carbon trading.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify :Marmara Basin

(3.1.1.9) Organization-specific description of risk

Water availability is becoming less predictable in many places, and increased incidences of flooding threaten to destroy water withdrawal points, sanitation facilities and contaminate water sources. In some regions, droughts are intensifying water scarcity and thereby negatively impacting people's health and productivity. In the production phases, Ford Otosan uses well water and municipal water as fresh water. In case of any water scarcity triggered by this risk driver, groundwater availability problem may occur. The control of potential extreme weather events in our sites is our concern to ensure our business continuity. If the scarcity occurs in the regions where Ford Otosan operates, the utilities department may procure good quality water by providing treated wastewater through treatment system for Kocaeli- Gölcük Facility.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated operational disruptions due to water scarcity are expected to negatively impact Ford Otosan's financial performance and cash flows in the medium term. Reduced production capacity could lead to decreased revenues, directly affecting profitability. Increased operational costs for securing alternative water sources and implementing water-saving technologies may strain financial resources.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.27) Cost of response to risk

2544864

(3.1.1.28) Explanation of cost calculation

Climate Change Strategies published by Ford Motor Company and Koç Group are the themes directing our works. Feasibility works for wastewater, rainwater and greywater recovery projects will be maintained as a precaution against the diminished water resources. A budget study of USD 2,544,864 was carried out for wastewater recovery projects in Kocaeli (Gölcük and Yeniköy) plants.

(3.1.1.29) Description of response

The company has a water policy that is publicly available. In line with our goal of reducing fresh water usage per vehicle in our facilities by 40% by 2030, all projects are designed to achieve a minimum of 40% water recovery from the total water consumption in compliance with the appropriate design infrastructure Gölcük and Yeniköy Plants. The construction and commissioning processes of these projects are ongoing.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Technology

☑ Transition to lower emissions technology and products

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.9) Organization-specific description of risk

Heavy duty fleet CO2 regulation in Europe demands all OEM's to reduce 15% of total TP CO2 emissions (Tank-to-Wheel) of all HCV vehicles sold in Europe compared to 2019 Europe baseline (average).

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ About as likely as not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated operational disruptions due to regulations are expected to negatively impact Ford Otosan's financial performance and cash flows in the short term.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Diversification

☑ Develop new products, services and/or markets

(3.1.1.27) Cost of response to risk

100000000

(3.1.1.28) Explanation of cost calculation

Spending is initiated mainly to meet fleet CO2 emissions targets in the short term for Europe, amounting to over USD 100,000,000.

(3.1.1.29) Description of response

Projects are developed to meet fleet CO2 emissions targets in the short term and in the following years in Europe.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Heavy precipitation (rain, hail, snow/ice)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.9) Organization-specific description of risk

In reference to Climate Change Projections for Turkiye: Three Models and Two Scenarios; Turkish State Meteorological Service reported that heavy rain/floods (26%), wind storm (25%), hail (12%), heat wave (11%), and lightning (4%) were recorded as the most observed disaster respectively in 2015. Global Circulation Model outputs which are produced with RCP4.5 and RCP8.5 concentration scenarios have been used in the study, which are used CMIP5 project and situated in the IPCC 5th Assessment Report. These events may pose risks on the assets in our facilities. The interruption in operational capability may increase our capital and operational costs, decreased production capacity may reduce the revenue. The control of potential extreme and acute weather events in our sites is our first concern to ensure our business continuity. The deployment of specific protection systems and emergency response plan allow Ford Otosan to a reasonable insurance coverage eliminating big financial implication. In our region, the hailstorm season starts in March and ends in September. The hail bomb project (soundproofing system) practice was realized as a consequence of physical risk assessment made by Ford Otosan for the purpose to protect newly produced vehicles in Yeniköy Port in Kocaeli, against hailstorm. The project consists of the installation of the shock waves protection system against hail.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated operational disruptions due to extreme climate events might negatively impact Ford Otosan's financial performance in the medium-term.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

5625000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

5625000

(3.1.1.25) Explanation of financial effect figure

After a region base physical study and risk analysis of the area to be protected, there is risk during extreme wheather events (in case the implemented system does not work) there will be a repair cost of USD 5,625,000.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Other infrastructure, technology and spending, please specify **:**Installation of a protection system equipped with shock wave generator, soundproofing and radar detection system against hail was implemented.

(3.1.1.27) Cost of response to risk

176400

(3.1.1.28) Explanation of cost calculation

Installation of a protection system equipped with shock wave generator, soundproofing and radar detection system against hail was implemented. The system has a protection scope of 80 hectares forming a circumference of 1 km in diameter. After a long feasibility and optimization process with financial measures, installation of full protection system against hailstorm at Ford Otosan Yeniköy Port was achieved. The investment budget was USD 176,400 in 2018.

(3.1.1.29) Description of response

IPCC assessment reports indicate that Türkiye is in a vulnerable location impacted by extreme weather events. Our facilities may potentially be impacted by extreme weather events due to sudden changes such as: heat waves, floods, hail storms. This extreme precipitation could cause hailstorm seen in recent years. There has been an increasing trend in Türkiye's observed temperature and similarly in extreme weather events number since 1997.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Sakarya

☑ Other, please specify **:**Marmara Basin

(3.1.1.9) Organization-specific description of risk

If the water stress increases in our water basin the local authority could supply water to urban zone rather than industrial zone, and some withdrawal limitations may be enforced as legal sanction. In the production phases, Ford Otosan uses well water as fresh water. In case of any water shortage triggered by this risk driver, groundwater availability problem may occur. To ensure our business continuity in Marmara Region - Kocaeli plants, the utilities department may procure good quality water by withdrawing sea water which will be treated through Reverse Osmosis system.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated operational disruptions due to water scarcity are expected to negatively impact Ford Otosan's financial performance and cash flows in the medium term. Reduced production capacity could lead to decreased revenues, directly affecting profitability. Increased operational costs for securing alternative water sources and implementing water-saving technologies may strain financial resources.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

1911721

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

1911721

(3.1.1.25) Explanation of financial effect figure

USD 1,911,721 figure represents one day long production interruption in Gölcük, Yeniköy and Eskisehir plants.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Secure alternative water supply

(3.1.1.27) Cost of response to risk

1200000

(3.1.1.28) Explanation of cost calculation

The reverse osmosis and ultra-filtration system accounted for the vast majority of the cost (USD 1,200,000) as this technology is quite expensive. This is a one-time cost.

(3.1.1.29) Description of response

A feasibility study on the reverse osmosis (RO) and ultra-filtration (UF) systems has been completed. Sea water withdrawal, treatment by RO and UF, storage, and distribution to the process and utilities divisions could be implemented to secure an alternative water supply. We recycle water in the cooling towers at the Gölcük and Yeniköy plants, as well as through reverse osmosis at the Yeniköy Plant. New wastewater recovery plant feasibility studies are ongoing in Eskişehir, and the project is planned to start in 2025.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify :Marmara Basin

(3.1.1.9) Organization-specific description of risk

Water availability is becoming less predictable in many places, and increased incidences of flooding threaten to destroy water points and sanitation facilities and contaminate water sources. If the water scarcity increases in our water basin there could be limitations to the quotas for industry. In the production phases, Ford Otosan uses well water and municipal water as fresh water. In case of any water scarcity triggered by this risk driver, groundwater availability problem may occur. The control of potential extreme weather events in our sites is our first concern to ensure our business continuity. If the scarcity occurs in the regions where Ford Otosan operates, the utilities department may procure good quality water by providing treated wastewater through treatment system for Kocaeli-Gölcük Facility.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated operational disruptions due to water scarcity are expected to negatively impact Ford Otosan's financial performance and cash flows in the long-term. Reduced production capacity could lead to decreased revenues, directly affecting profitability. Increased operational costs for securing alternative water sources and implementing water-saving technologies may strain financial resources.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

314875

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

314875

(3.1.1.25) Explanation of financial effect figure

*Purpose of the Project: *Wastewater treatment plant effluents, cooling towers blow down waters and water center sand filter backwash water are treated and recycled. *The recovered wastewater is converted into external water in the deionized (external) water production system, and the dye house wastewater is planned to be reused in production. If the waste water is discharged into ISU sewer system without any treatment and recovery process the cost will be 314,875 USD a year for Kocaeli Plants. This figure was calculated by taking into account the cumulative price increase rate of ISU for discharge water. Project Goal: The need for alternative water resources as wells are not allowed to be drilled in Kocaeli Plants. *We recognize that clean water resources are vital for continuity of life and we engage in various activities in this field. We aim to reduce water use per vehicle by 40% by 2030 through the water recovery projects implemented at the Gölcük, Yeniköy and Eskişehir Plants. * Fulfillment of Ford EU Global Water Target and Koç Group Environmental Strategic*

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.27) Cost of response to risk

2544864

(3.1.1.28) Explanation of cost calculation

A budget study of USD 2,544,864 was carried out for wastewater recovery at the Kocaeli (Gölcük and Yeniköy) plants. This project also includes water auditing, consulting, and wastewater recovery plants in Kocaeli.

(3.1.1.29) Description of response

In line with our goal of reducing fresh water usage per vehicle in our facilities by 40% by 2030, all projects are designed to achieve a minimum of 40% water recovery from the total water consumption in compliance with the appropriate design infrastructure Gölcük and Yeniköy Plants. New wastewater recovery plant feasibility studies are ongoing in Eskişehir, and the project is planned to start in 2025.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☑ OPEX

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

5625000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

As Ford Otosan, in order to minimize our financial vulnerability to climate change risks, we have set our environmental targets as follows: - Becoming carbon neutral at manufacturing sites and the R&D center in Türkiye by 2030. - Selling only zero-emission passenger vehicles by 2030. -Selling only zero-emission light and medium commercial vehicles, becoming carbon neutral across the entire supply chain, and achieving carbon neutrality in logistics operations by 2035. - Selling only zero-emission heavy commercial vehicles by 2040. After a region-based physical study and risk analysis of the area to be protected, there is a risk during extreme weather events (in case the implemented system does not work) that there will be a repair cost of USD 5,625,000.

Water

(3.1.2.1) Financial metric

Select from:

☑ CAPEX

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

4436200

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

2544864

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.6) Amount of CAPEX in the reporting year deployed towards risks related to this environmental issue

2544864

(3.1.2.7) Explanation of financial figures

These figures represent the allocation of CAPEX toward mitigating water-related transition and physical risks, which are stated below. Transition Risks: Transition risks arise from potential regulatory changes in water usage. For water-related transition risks, USD 4,436,200 has been allocated in 2023. This budget is set aside for potential operational costs that may arise due to drought. Physical Risks: Our strategy includes investing in water-efficient technologies and infrastructure improvements to mitigate these risks. This proactive approach aims to enhance our resilience and ensure long-term business continuity in the face of water-related challenges. A budget study of USD 2,544,864 was carried out for wastewater recovery projects in the Kocaeli plants.
[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Turkey
☑ Other, please specify **:**Marmara Basin

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply
☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

3

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:
☑ 51-75%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ Unknown

(3.2.11) Please explain

Ford Otosan has determined that all of its facilities in Türkiye are located in the Marmara and Sakarya basins, known as high water-stressed basins. The Marmara basin, where the Kocaeli plants and the Sancaktepe complex are located, is a high risk (40%-80%) region. Ford Otosan Kocaeli Plants (Gölcük and Yeniköy) and Sancaktepe R&D Center and Spare Part Distribution Center are located in Marmara Basin.

Row 2

(3.2.1) Country/Area & River basin

Turkey
☑ Sakarya

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply
☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:
☑ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:
☑ Unknown

(3.2.11) Please explain

Ford Otosan has determined that all of its facilities in Türkiye are located in the Marmara and Sakarya basins, known as high water-stressed basins. The Sakarya basin, where the Eskişehir plant is located, is an extremely high risk (80%) area. Eskişehir (old name is İnönü) Plant is located in Sakarya Basin.
[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

(3.3.1) Water-related regulatory violations

Select from:

☑ No

(3.3.3) Comment

In the reporting year, Ford Otosan was not subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations. As part of the Environmental Management System (EOS), we undergo annual audits to ensure that our environmental management system is continuously enhanced. In addition to Koç Group's environmental audits every two years, we receive planned and unannounced audits from the Ministry of Environment, Urbanization and Climate Change and other relevant Ministries within the year. To date, we have not been imposed any non-compliance fines or penalties as a result of these inspections.
[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☑ No, but we anticipate being regulated in the next three years

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Türkiye became a party to the Paris Agreement in 2021 and has set a net-zero emission target for 2053. The development and implementation of carbon pricing are crucial instruments for reducing greenhouse gas (GHG) emissions. It is essential to continue the preparatory activities in our country by seeking opinions and suggestions from all relevant stakeholders. The national emissions trading system, designed based on data gathered from the Monitoring, Reporting, and Verification (MRV) system established in our country since 2015, is believed to be the cornerstone of the upcoming carbon pricing practice in Turkey. Phase 2 of the PMR project, sponsored by the World Bank, started in 2019, and pilot workshops focusing on different ETS designs were conducted with participating companies. In Turkey, emission data is reported to the Ministry of Environment, Urbanization, and Climate Change (MoEUCC) annually by high-energy-intensive sectors according to the MRV regulation. Ford Otosan is within the scope of this regulation, and we are ready to comply with the schemes once the market is established in Turkey. The national ETS can influence our company in the short term. Within the scope of the Corporate Risk Management System, Ford Otosan develops scenarios, including the 1.5C carbon pricing scenario. Regulatory changes introduced to promote the transition to low carbon in organizational operations and supply chains, such as the Green Deal and the Paris Agreement, include GHG limits, carbon taxes, the Emissions Trading System (ETS), and the Carbon Border Adjustment Mechanism (CBAM), which are among the risks that Ford Otosan is exploring. Taking 2017 as a base year, a simulation study was conducted for the emission amounts that may occur in 2025, 2030, 2040, and 2050, including future carbon pricing. Accordingly, the prospective carbon tax based on the company's GHG emissions was calculated. Additionally, carbon pricing risks of major suppliers are considered through a study that projects major suppliers' financial risks with the help of external experts. The EBITDA at Risk metric assesses the potential impact on the company's earnings today if it were to pay a price for its GHG emissions in the future. Ford Otosan was invited to attend climate council workshops in 2022, the results of which are also used as input for the Climate Law currently in Parliament for approval. The workshop results are utilized in the development of Climate Change Mitigation and Adaptation Plans that are being developed by the MoEUCC. The Executive Committee is informed by the experts attending the meetings. The Climate Council aims to finalize the Emissions Trading System by 2024. We monitor energy consumption and GHG emissions per vehicle in line with our goals. Our smart factory applications allow us to

track energy consumption in real-time, enabling us to make necessary corrections quickly if we fall below our set targets. These applications also facilitate automation in energy consumption and help optimize our resource use. At Ford Otosan, we have the most efficient production line of Ford Europe in terms of energy consumption per vehicle. In Turkey, the energy consumption per vehicle was 4.21 GJ in 2023. In Romania, it was 3.44 GJ in 2023. The total energy consumption per vehicle for Türkiye and Romania combined was 3.96 GJ in 2023. We track energy consumption and greenhouse gas emission performance for each vehicle produced. For our facilities in Turkey, we target 130,586.99 tons of CO2e in Scope 1 emissions and 0 in Scope 2 emissions in 2024. Ford Otosan's strategy to comply with upcoming schemes is to leverage CO2 emissions reduction and energy use reduction strategies. In line with our mission to lead the transformation in the automotive industry, our R&D approach informs our primary investment areas, which include conventional automotive products and services evolving with technological transformation, fuel optimization to reduce CO2 emissions, developing connected and autonomous vehicles, manufacturing electric vehicles, and advancing light vehicle technologies. To capture opportunities aligned with low-carbon economy scenarios, Ford Otosan has participated in European Union-funded research projects, particularly the Horizon 2020 and Horizon Europa programs, funding a total of 30 projects.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Water	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency
☑ Use of new technologies

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Romania

☑ Turkey

(3.6.1.8) Organization specific description

We base the development of comprehensive mobility solutions on the Design for Sustainability principle and maintain our leadership in engineering exports. We foster a culture of innovation-driven collaboration that involves our stakeholders. We create designs that consider vehicles and components along with all types of transportation needs, available infrastructures and people's mobility habits. As a result, we develop a diversified and renewed product range of next-generation electric and connected vehicles, while working on hydrogen technologies. In response to the evolving customer behavior and transformation in the automotive industry, advanced R&D activities are carried out on a wide array of topics including connected vehicles, autonomous vehicles, electric vehicles, electrification, smart manufacturing methods, improving customer experience, digital transformation, and smart mobility solutions. We develop connected vehicle technologies such as navigation, smart engines with mobile communication capabilities, fleet management systems and interaction of vehicles with each other and urban infrastructure for a safer and more efficient driving experience.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated effect of the risk on the organization's financial position, performance, and cash flows has not been explained.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

212168590

(3.6.1.25) Explanation of cost calculation

Ford Otosan's R&D spending on various product development projects in 2023 amounted to TL 5,038,624,251 (USD 212,168,590) before capitalization.

(3.6.1.26) Strategy to realize opportunity

In line with our mission of leading the transformation in the automotive industry, we focus on designing innovative products and services and contributing to the smart cities of the future. Our R&D approach, shaped around this mission, informs our investments, which include fuel optimization, reducing CO2 emissions, developing connected and autonomous vehicles, manufacturing electric vehicles, electrification, and developing light vehicle technologies as part of our product and system development efforts. Investing in R&D by considering global trends affecting the automotive industry and the environmental, social and governance (ESG) risks positions the industry, undergoing a radical change, at the top in R&D expenditures.

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Other resource efficiency opportunity, please specify **:**Improved water efficiency in operations

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Sakarya

☑ Other, please specify :Marmara Basin

(3.6.1.8) Organization specific description

We aim to reduce fresh water use per vehicle by 40% by 2030 through the water recovery projects implemented at the Gölcük, Yeniköy and Eskişehir Plants. We aim to build a wastewater recovery system at our Gölcük and Yeniköy Plants in 2024 to recycle the effluents, domestic wastewater, backwash water and cooling tower blowdown water treated in the existing plant use it in the production process. The new investments in the Yeniköy Plant include the installation of a Gray Water Recovery System, which will enable us to surpass the targeted performance. At the Eskişehir Plant, a study is ongoing to assess the feasibility of a water recovery investment that would deliver 40% water recovery as part of the Wastewater Treatment Plant revision. Such an investment would involve the recycling of domestic and chemical wastewater resulting from the processes in the treatment facility and reusing it in production. We recycle the water in the cooling towers at the Gölcük and Yeniköy Plants and with reverse osmosis at the Yeniköy Plant. We also reuse the water at the Eskişehir Plant with the help of closed-loop cooling towers. With the water mapping project encompassing all Ford Otosan facilities in Türkiye, we aim to perform water point mapping by considering all water consumption points, create a surface mass balance and water map of the areas where water is consumed and discharged, and evaluate the technical, operational and management aspects.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated effect of the risk on the organization's financial position, performance, and cash flows has not been explained.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

2544864

(3.6.1.25) Explanation of cost calculation

A budget study of USD 2,544,864 was carried out for wastewater recovery projects in the Kocaeli plants.

(3.6.1.26) Strategy to realize opportunity

At Ford Otosan, we recognize the value of water as a vital resource, and its conservation is crucial for both the environment and our business operations. We are dedicated to adopting water-efficient technologies, promoting water-saving practices among our employees, and complying with all applicable laws and regulations to safeguard water resources. Our strategy includes investing in water-efficient technologies and infrastructure improvements to mitigate these risks. This proactive approach aims to enhance our resilience and ensure long-term business continuity in the face of water-related challenges. We set the targets we wanted to achieve in terms of climate change, waste and circular economy, water, diversity and inclusion, and community to lead the automotive industry and improve performance across the Ford Otosan ecosystem. In line with our slogan – "Future. Now" - we are moving forward with firm and confident steps together with our stakeholders to achieve these targets. We also recognize that fresh water resources are vital for continuity of life and plan to launch recycling projects at the Gölcük, Yeniköy and Eskişehir plants to reduce the use of fresh water per vehicle in these facilities by 40% by 2030. These projects will pave the way to building a wastewater recovery system that will enable the reuse of treated wastewater and effluents (such as the treatment plant's existing effluent, domestic wastewater, backwash water, cooling tower blowdown water, etc.) in the production process. The project, already in progress for the Gölcük and Yeniköy Plants, will be deployed in 2024-2025.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Increased value chain transparency

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Upstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Romania

☑ Turkey

(3.6.1.8) Organization specific description

*To meet our target of "working with the leading supply chain in sustainability," we are preparing more than 300 of our suppliers to become carbon neutral by 2035. We aim to communicate our sustainability approach to our business partners and to ensure that all suppliers in our value chain align with it as well. For this purpose, we inform our suppliers about our policies by publishing them on our website and sharing them on the Ford Otosan Supplier Network (FOSN) purchasing portal. We offer a range of training programs on different topics to support the development of suppliers. In 2023, we delivered 1,390 person*hours of training. We provided online sustainability training on ESG issues to 114 suppliers who participated in the Supplier Sustainability Assessment. In 2023, we hosted two Supplier Sustainability Conferences with the participation of the suppliers that undergo Ford Otosan's sustainability audits. During these conferences we declared our Supplier Sustainability Manifesto and shared it with all our suppliers. Working toward our goal of spearheading transformation across the entire ecosystem, we detailed the Responsible Supply Chain Transformation roadmap during the workshop we held with 34 critical suppliers in 2023. In this workshop, we determined the future sustainability actions of our suppliers under ESG and Supply Chain, starting with the target of carbon neutrality across the supply chain by 2035.*

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated effect of the risk on the organization's financial position, performance, and cash flows has not been explained.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

75740

(3.6.1.25) Explanation of cost calculation

In this study, we aim to inform and guide suppliers so that they can report within the scope of CBAM. In this context, the amount spent in 2023 was USD 75,740.

(3.6.1.26) Strategy to realize opportunity

We will conduct due diligence for suppliers on parts covered by CBAM. Suppliers are required to start CBAM reporting based on greenhouse gas emission calculations as of July 2024. Action plans are requested from suppliers (manufacturers) to achieve net-zero by 2034. Suppliers must report regularly every quarter and comply with CBAM carbon emission requirements. At Ford Otosan, we are working with a third-party firm for due diligence.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Ability to diversify business activities

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Romania

☑ Turkey

(3.6.1.8) Organization specific description

As Ford Otosan, one of our sustainability targets is to sell only zero-emission heavy commercial vehicles by 2040. Following the launch of Ford E-Transit and E-Transit Custom models, Ford Otosan introduced its 100% electric truck – embodying Türkiye's electric transformation - at the IAA Commercial Vehicles in 2022. With the 100%

electric truck developed and produced entirely in Türkiye, from design to testing, Ford Otosan has started developing the next generation of electric vehicles in the light, medium and heavy commercial segments. Ford Trucks, Ford Otosan's global heavy commercial brand, is accelerating its work within the scope of the EU funded next-generation zero-emission electric trucks and efficient and low-cost logistics project to pioneer the future of zero-emission transportation.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated effect of the risk on the organization's financial position, performance, and cash flows has not been explained.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

17000000

(3.6.1.25) Explanation of cost calculation

Total investments in the electrification projects amount to over USD 17,000,000.

(3.6.1.26) Strategy to realize opportunity

With a vision to transition the majority of our sales, from passenger cars to heavy commercial vehicles, to zero-emission by 2040, we are actively developing projects such as electric vehicles and internal combustion hydrogen engines. In 2023, we unveiled our latest truck series, F-LINE, distinguished by its connected vehicle technologies, advanced safety features, and contemporary design. Concurrently, we are on track to debuting our first fully electric truck, the E-Truck, on the roads by 2025. Embracing both electrification and hydrogen technology, we are advancing toward our goal of zero-emission transportation. To spearhead future mobility solutions, we are actively involved in the Zero Emission Transportation Ecosystem project, funded by the European Union's Horizon Europe, aimed at developing the pioneering fuel cell electric (FCEV) F-MAX powered by hydrogen. In line with our zero-emission targets, we plan to commence production of our first 100% electric truck, the E-Truck, in 2025. In addition to electrification, we also continue to explore hydrogen technologies. Ford Trucks, Ford Otosan's global heavy commercial brand, is accelerating its work within the scope of the EU funded next-generation zero-emission electric trucks and efficient and low-cost logistics (NextETRUCK). With the NextETRUCK project, executed by Ford Trucks and launched in 2022, we are focusing on creating an electric truck with reduced weight, advanced thermal management and Acoustic Vehicle Alert System (AVAS) integration. The NextETRUCK project also involves major changes such as updating EPE parts, building an innovative thermal management system, redesigning the chassis, new brackets, software improvements and cabin modifications.We have accelerated our work on the electrification projects for our trucks. We are also working to increase energy and thermal efficiency by making the electric truck platform lighter. The projects generally involve engine improvement efforts for the transition to Euro 7, as well as fuel consumption and emission reduction initiatives. Ford Otosan conducts emission reduction concept development, R&D and engineering studies to ensure that its Ford Trucks vehicles comply with the draft Euro 7 regulation for passenger cars and vans/heavy-duty commercial vehicles and buses.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp5

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

☑ Stronger competitive advantage

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Romania

☑ Turkey

(3.6.1.8) Organization specific description

A closed-loop economy model for end-of-life or scrapped batteries in electric vehicles is not yet available. Lack of a specific monitoring mechanism and strategy regarding the use of recycled raw materials in electric vehicle batteries and the absence of a plan for the recall of end-of-life batteries from the market. The 2023/1542 EU

Battery Regulation, which became effective on July 28, 2023, defines the waste percentage targets and requirements for 2026 and 2030 regarding the use of minimum recycled content in products.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated effect of the risk on the organization's financial position, performance, and cash flows has not been explained.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

50000

(3.6.1.25) Explanation of cost calculation

Full monitoring of all purchased/used batteries in the production, usage and end-of-life processes and creating the Electric Vehicle Battery Circular Economy roadmap will provide the following opportunities: ▸ Battery pack designs and cells will be selected according to eco-design criteria. ▸ Eco-design will improve how waste management of end-of-life products are monitored. ▸ Monitoring the life of the batteries in the vehicles will be possible. ▸ The customers will be encouraged to return batteries. ▸ The batteries that will be regenerated or sent to secondary use and recycling will be systematically identified once the test devices are procured to analyze the health of the batteries removed from the vehicles and the procedures are determined. ▸ The raw material derived from the recycling process will be sold to battery manufacturers or create a raw material source that reduce dependence on

imports for potential battery production. Total cost values for 2023 for European-supported projects carried out within the scope of recycling end-of-life battery packs and evaluating their reuse, such as for energy storage, amount to over USD 50,000.

(3.6.1.26) Strategy to realize opportunity

The Product Sustainability Team works with the Aftersales, Environment and Technical teams to plan the Battery Circular Economy Model. A study, led by the Product Sustainability Team, was conducted to consider recovery efficiency and secondary life alternatives. The study involved activities with the relevant teams to identify the amount of waste generated during the production processes and to monitor the output in the years to come. The recovery efficiency and raw material input of the batteries were also studied with results expressed in numbers. - The aim of the BATRAW project is to recycle end-of-life battery packs for domestic raw material supply chains and improved circular economy. Within the scope of the project, it uses blockchain technology to carry out comprehensive studies on end-to-end monitoring of the battery throughout its production, use and end-of-life processes. - The RECIRCULATE project aims to: Reuse batteries through characterization, smart logistics, automated packaging and module disassembly and repackaging, and a blockchain-enabled marketplace. - The goal of the RHINOCEROS project is to develop and demonstrate an economically and environmentally viable pathway for the reuse and recycling of End of life Electric Vehicle and stationary energy storage LIB (lithium-ion battery) in an industrially suitable environment. - The FO&US project aims to transform scrap/waste batteries into a suitable energy storage solution, thus alleviating the emerging challenge of Electric Vehicle Battery (EVB) waste and increasing grid management efficiency. The system charges the grid during off-peak hours when electricity prices are low, typically at night. The arbitrage strategy allows the system to capture the price difference, resulting in significant cost savings and increased profitability. The first electric vehicle battery obtained from scrap/waste batteries in FO&US, Türkiye and all Ford Global factories is the second-life ESS. The FO&US innovation project won the Henry Ford Technology Award and the Sustainable Business Award in the Circular Economy Adoption category.

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Reduced water usage and consumption

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Sakarya

(3.6.1.8) Organization specific description

The main concern of Ford Otosan is to reduce water consumption in the production process. For this purpose, we have implemented various measures as follows: - Increase in cooling water capacity and maintenance activities - Elimination of water leakages through equipment maintenance - Internal audits and implementation of various efficiency projects with awareness-raising - Improvements in cleaning procedures - Renovations in WASH activities - Oil-retaining bacteria project

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated effect of the risk on the organization's financial position, performance, and cash flows has not been explained.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

5705

(3.6.1.25) Explanation of cost calculation

Within the scope of the hydrogeological assessment project, a literature review and data analysis were conducted, and a preliminary hydrogeological assessment was carried out. The groundwater depth at the Eskişehir factory was measured, and it was observed that the water source is sufficient in the short term. To make a 20–30 year projection for the region, pumping tests and static water levels should be monitored for at least one year. The cost of the hydrogeological assessment project is USD 5,705.

(3.6.1.26) Strategy to realize opportunity

We monitor our water consumption in line with our targets. As stated in the Water Policy published in 2021, we are committed to: - Reducing freshwater consumption per vehicle in operational processes, - Prioritizing innovative and sustainable water management systems in new investments and projects, and - Focusing on water management as a priority in plants facing water stress according to regional situation assessments. Accordingly, we recycle water in the cooling towers at the Gölcük and Yeniköy Plants, and use reverse osmosis at Yeniköy. Through Green Office practices, we have introduced measures such as reducing the flow rate of sensorless faucets and the amount of water used in toilet cisterns. We recognize that freshwater resources are vital for the continuity of life, and we engage in various activities in this field. We aim to reduce freshwater use per vehicle by 40% by 2030 through water recovery projects implemented at the Gölcük, Yeniköy, and Eskişehir Plants. In 2023, freshwater use per vehicle was 3.318 m³ in Türkiye and 2.634 m³ in Romania. We will continue our hydrogeological studies to closely monitor groundwater use at all our locations. We aim to create water projection maps and water scenarios for our facilities in the coming years, similar to the project we started at the Eskişehir location.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:
☑ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

808481986

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:
☑ 1-10%

(3.6.2.4) Explanation of financial figures

In line with our mission of leading the transformation in the automotive industry, we focus on designing innovative products and services and contributing to the smart cities of the future. Our R&D approach, shaped around this mission, informs our investments, which include fuel optimization, reducing CO2 emissions, developing connected and autonomous vehicles, manufacturing electric vehicles, electrification, and developing light vehicle technologies as part of our product and system development efforts. Investing in R&D by considering global

trends affecting the automotive industry and the ESG risks positions the industry, undergoing a radical change, at the top in R&D expenditures. Ford Otosan's definition of sustainable product: A sustainable vehicle is an environmentally friendly mode of transportation designed to minimize its negative impact on the environment. These vehicles produce fewer emissions, use less energy, and often run on alternative power sources like electricity, hydrogen, or biofuels. They promote energy efficiency, reduced pollution, and a lower carbon footprint compared to conventional vehicles. In 2023, the number of sustainable products and services offered was 16,638, generating revenues of TL 19.2 billion (USD 808,481,986), which accounted for between 1-10% of the total revenues.

Water

(3.6.2.1) Financial metric

Select from:

☑ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

2544864

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ Less than 1%

(3.6.2.4) Explanation of financial figures

At Ford Otosan, we recognize the value of water as a vital resource, and its conservation is crucial for both the environment and our business operations. We are dedicated to adopting water-efficient technologies, promoting water-saving practices among our employees, and complying with all applicable laws and regulations to safeguard water resources. We also acknowledge that freshwater resources are essential for the continuity of life and plan to launch recycling projects at the Gölcük, Yeniköy, and Eskişehir plants to reduce the use of freshwater per vehicle in these facilities by 40% by 2030. A budget study of USD 2,544,864 was carried out for wastewater recovery projects in the Kocaeli plants. This amount represents the investment made in the wastewater system. This initiative is expected to reduce freshwater consumption, aligning with our water reduction strategies.
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ Quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Non-executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The Ford Otosan Board of Directors Diversity Policy aims to enhance the diversity of its Boards of Directors by ensuring a varied composition of members with diverse skills experiences and backgrounds. This diversity is believed to provide competitive advantages better understanding of opportunities and risks integration of different ideas enhanced decision-making and improved corporate governance The policy focuses on business skills experience inclusion gender equality and equal pay for equal work. The nomination process prioritizes candidates based on age gender race nationality and ethnic origin with a specific goal to maintain at least 25 female representation on the board The Corporate Governance Committee acting as the Nomination Committee is tasked with regularly reviewing the policy and proposing revisions while the Board of Directors evaluates and publicly reports on progress annually.

(4.1.6) Attach the policy (optional)

board-of-directors-diversity-policy_exec_eng.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

Climate change

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

☑ Yes

Water

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

☑ Yes

Biodiversity

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

☑ No, and we do not plan to within the next two years

(4.1.1.2) Primary reason for no board-level oversight of this environmental issue

Select from:

☑ Other, please specify **:**Judged to be important and planned within the next two years.

(4.1.1.3) Explain why your organization does not have board-level oversight of this environmental issue

Our biodiversity strategy was published in 2023. Oversight of sustainability management at Ford Otosan is the responsibility of the Board of Directors, which has granted the executive board the executive authority to manage sustainability.
[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Director on board

☑ Other C-Suite Officer (COO)

☑ Chief Financial Officer (CFO)

☑ Chief Operating Officer

☑ Board-level committee
☑ Chief Technology Officer (CTO)
☑ Chief Risk Officer (CRO)
☑ Chief Compliance Officer (CCO)
☑ Chief Executive Officer (CEO)
☑ Chief Procurement Officer (CPO)
☑ Chief Sustainability Officer (CSO)
☑ Chief Government Relations Officer (CGRO)
☑ Other, please specify **:Sustainability Committee**

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:
☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply
☑ Board Terms of Reference
☑ Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:
☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply
☑ Reviewing and guiding annual budgets
☑ Overseeing and guiding public policy engagement
☑ Overseeing and guiding scenario analysis
☑ Overseeing and guiding public policy engagement
☑ Overseeing the setting of corporate targets
☑ Reviewing and guiding innovation/R&D priorities
☑ Monitoring progress towards corporate targets
☑ Approving and/or overseeing employee incentives
☑ Approving corporate policies and/or commitments
☑ Overseeing and guiding major capital expenditures
☑ Monitoring the implementation of the business strategy
☑ Overseeing reporting, audit, and verification processes
☑ Monitoring the implementation of a climate transition plan
☑ Overseeing and guiding the development of a business strategy
☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Monitoring supplier compliance with organizational requirements

☑ Monitoring compliance with corporate policies and/or commitments

☑ Overseeing and guiding the development of a climate transition plan

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

Ford Otosan's BoD consists of 11 members, including 2 independent directors. 3 female and 8 male members serve on the Board. The duties of Chairman and Ford Otosan Leader are assumed by different individuals. During the nomination process for BoD members, we consider the knowledge, experience and competencies required for the position in accordance with the principles stated in our Board of Directors Diversity Policy, and we prioritize having a Board composed of members with diverse experiences and skills. Looking at the industry experience and expertise of the 11 members in the Ford Otosan BoD, 5 are experienced in finance, 8 in automotive, 6 in risk management including 2 non-executive directors, 7 in organizational management, 5 in sustainability, 8 in strategy, 8 in stakeholder relations and 7 in human resources. The Board is reviewing and guiding strategy, major plans of action, risk management policy, annual budget, business plans, setting performance objectives, monitoring implementation and performance of objectives, overseeing major capital expenditures, acquisitions and divestitures, monitoring and overseeing progress against goals and targets for addressing climate-related issues as scheduled. The Board chair incorporates climate related issues including risks and opportunities on most strategic product-based company level decisions. The broader commitment to sustainable business including climate related strategy is debated and decided by the executive committee (EC) led by CEO who is a member of the BoD. The CEO briefs the BoD about asset level executions. The EC Meetings realize in weekly periods. Other EC core members who are the Assistant General Managers (COO) report their performances on energy, water, wastes and other environment/climate related risks&opportunities (R&O) to the CEO in weekly meetings. Sustainability&Energy Committee leaders brief the EC and EDRM Committee members about the R&O's that may have impact on the Risk Management Policy of the organization. The interaction between the R&D Policy and Company's Sustainability Strategy is discussed in EC meetings by considering global climate related issues, legal issues, governmental relations and other corporate responsibility matters. Sustainability Committee is headed by the Ford Otosan Leader, who also serves as a member of this committee, reports the committee's progress toward the targets and development areas, and secures approval for the relevant investments from the BoD. The Sustainability Hub,positioned under the Sustainability Committee, work on specific focus areas convene weekly to share the work and progress made in the material sustainability issues: Equality, Diversity and Inclusion, Climate Action, Responsible Sourcing, Sustainable Logistics Network, Sustainability in the Dealer Network, and R&D, Innovation and Technology.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Director on board (COO)

☑ Other C-Suite Officer (CSO)

☑ Board-level committee **:Sustainability Committee**

☑ Chief Risk Officer (CRO)

☑ Chief Executive Officer (CEO)

☑ Chief Operating Officer

☑ Chief Sustainability Officer

☑ Other, please specify

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board Terms of Reference

☑ Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding public policy engagement

☑ Overseeing and guiding scenario analysis

☑ Overseeing and guiding public policy engagement

☑ Overseeing the setting of corporate targets

☑ Reviewing and guiding innovation/R&D priorities

☑ Monitoring progress towards corporate targets

☑ Approving and/or overseeing employee incentives

☑ Approving corporate policies and/or commitments

☑ Overseeing and guiding major capital expenditures

☑ Monitoring the implementation of the business strategy

☑ Overseeing reporting, audit, and verification processes

☑ Monitoring the implementation of a climate transition plan

☑ Overseeing and guiding the development of a business strategy

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Monitoring supplier compliance with organizational requirements

☑ Monitoring compliance with corporate policies and/or commitments

☑ Overseeing and guiding the development of a climate transition plan

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

Ford Otosan's BoD consists of 11 members, including 2 independent directors. 3 female and 8 male members serve on the Board. The duties of Chairman and Ford Otosan Leader are assumed by different individuals. During the nomination process for BoD members, we consider the knowledge, experience and competencies required for the position in accordance with the principles stated in our Board of Directors Diversity Policy, and we prioritize

having a Board composed of members with diverse experiences and skills. Looking at the industry experience and expertise of the 11 members in the Ford Otosan BoD, 5 are experienced in finance, 8 in automotive, 6 in risk management including 2 non-executive directors, 7 in organizational management, 5 in sustainability, 8 in strategy, 8 in stakeholder relations and 7 in human resources. The broader commitment to sustainable business including climate related strategy is debated and decided by the executive committee (EC) led by CEO who is a member of the BoD. The CEO briefs the BoD about asset level executions. The EC Meetings realize in weekly periods. Other EC core members who are the Assistant General Managers (COO) report their performances on energy, water, wastes and other environment/climate related risks&opportunities to the CEO in weekly meetings. At Ford Otosan, we see the effective management of water risks as a key element of achieving environmental sustainability and ensuring business continuity. We published our Water Policy in 2021. We declare our commitment to reducing water consumption per product in operational processes, prioritizing innovative and sustainable water management systems in new investments and projects, and focusing primarily on water management in campuses experiencing water stress as a result of regional situation assessments. We aim to reduce fresh water use per vehicle by 40% by 2030 through the water recovery projects implemented at the Gölcük, Yeniköy and Eskişehir Plants. Ford Otosan has determined that all of its facilities in Türkiye are located in the Marmara and Sakarya basins, known as high water-stressed basins. Ford Otosan conducted a situation analysis on the basins against the risk of possible droughts in the next five years, starting from the summer of 2023. Furthermore, groundwater projection studies were performed and the legal authority statements were reviewed for potential risks. Then, short-, medium- and long-term five-year water supply plans were created. Based on the report outputs, action plans have been integrated into the business plan. Responsibilities of Sustainability Hub and Agile Teams: Publishing the relevant policies, forming project groups, monthly follow through on targets, presenting the latest emerging global sustainability agenda topics to the Sustainability Committee, informing and seeking the opinions of Ford Otosan Leader on sustainability performance and target progress each quarter.
[Fixed row]

(4.2) Does your organization’s board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply
☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience
☑ Executive-level experience in a role focused on environmental issues
☑ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition
☑ Active member of an environmental committee or organization

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

☑ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

☑ Active member of an environmental committee or organization

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

Climate change

(4.3.1) Management-level responsibility for this environmental issue

Select from:

☑ Yes

Water

(4.3.1) Management-level responsibility for this environmental issue

Select from:

☑ Yes

Biodiversity

(4.3.1) Management-level responsibility for this environmental issue

Select from:

☑ No, and we do not plan to within the next two years

(4.3.2) Primary reason for no management-level responsibility for environmental issues

Select from:

☑ Other, please specify **:**Judged to be important and planned within the next two years.

(4.3.3) Explain why your organization does not have management-level responsibility for environmental issues

Our biodiversity strategy was published in 2023. Everything related to the company's sustainability is the responsibility of the Sustainability Committee, which is headed by the Ford Otosan Leader.
[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities
☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues
☑ Managing supplier compliance with environmental requirements
☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments
☑ Measuring progress towards environmental corporate targets
☑ Measuring progress towards environmental science-based targets
☑ Setting corporate environmental policies and/or commitments
☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan
☑ Implementing a climate transition plan

☑ Conducting environmental scenario analysis
☑ Managing annual budgets related to environmental issues
☑ Implementing the business strategy related to environmental issues
☑ Developing a business strategy which considers environmental issues
☑ Managing environmental reporting, audit, and verification processes
☑ Managing acquisitions, mergers, and divestitures related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues
☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.4) Reporting line

Select from:
☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ Half-yearly

(4.3.1.6) Please explain

Oversight of sustainability management at Ford Otosan is the responsibility of the Board of Directors, which has granted the executive board the executive authority to manage sustainability. Everything related to the company's sustainability is the responsibility of the Sustainability Committee, which is headed by the Ford Otosan Leader. Ford Otosan Sustainability Committee is headed by the Ford Otosan Leader, who also serves as a member of this committee, reports the committee's progress toward the targets and development areas, and secures approval for the relevant investments from the Board of Directors. • Assessing and managing climate-related risks and opportunities. • Communicating the emerging global sustainability trends to the Board of Directors. • Securing the Board of Directors' approval of long-term sustainability targets • Meeting with the Early Determination and Management of Risk Committee to address the risks, performance progress and obstacles observed every year, and seeking the opinion of the Board of Directors for the relevant actions. • Comparing the company strategy with the current situation and revising it where needed. • Appointing leaders to each working group. • Submitting the investment and financing requirements for sustainability performance improvement projects and initiatives to the Board of Directors for the final decision. The Sustainability Committee, which convenes four times during the year, submits the current situation and its decisions to the Ford Otosan Leader, who may escalate the matters to the Board of Directors as needed.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level
☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities
☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement
☑ Managing engagement in landscapes and/or jurisdictions
☑ Managing public policy engagement related to environmental issues
☑ Managing supplier compliance with environmental requirements
☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets
☑ Monitoring compliance with corporate environmental policies and/or commitments
☑ Measuring progress towards environmental corporate targets
☑ Setting corporate environmental policies and/or commitments
☑ Setting corporate environmental targets

Strategy and financial planning
☑ Developing a climate transition plan
☑ Implementing a climate transition plan
☑ Managing annual budgets related to environmental issues
☑ Implementing the business strategy related to environmental issues
☑ Developing a business strategy which considers environmental issues
☑ Managing acquisitions, mergers, and divestitures related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues
☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.4) Reporting line

Select from:
☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ Half-yearly

(4.3.1.6) Please explain

Oversight of sustainability management at Ford Otosan is the responsibility of the Board of Directors, which has granted the executive board the executive authority to manage sustainability (including water related issues). Everything related to the company's sustainability is the responsibility of the Sustainability Committee, which is headed by the Ford Otosan Leader. Ford Otosan Sustainability Committee is headed by the Ford Otosan Leader, who also serves as a member of this committee, reports the committee's progress toward the targets and development areas, and secures approval for the relevant investments from the Board of Directors. The CEO has responsibility to oversight the corporate water strategy, which covers company-wide operations and supply chain activities. To provide all kind of human resources, technological investments and financial resources for the efficient use of the natural resources. We published our Water Policy in 2021. We declare our commitment to reducing water consumption per product in operational processes, prioritizing innovative and sustainable water management systems in new investments and projects, and focusing primarily on water management in

campuses experiencing water stress as a result of regional situation assessments. We aim to reduce fresh water use per vehicle by 40% by 2030 through the water recovery projects implemented at the Gölcük, Yeniköy and Eskişehir Plants. The Sustainability Committee, which convenes four times during the year, submits the current situation and its decisions to the Ford Otosan Leader, who may escalate the matters to the Board of Directors as needed.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Operating Officer (COO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Implementing a climate transition plan

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Managing annual budgets related to environmental issues

☑ Implementing the business strategy related to environmental issues

☑ Developing a business strategy which considers environmental issues

☑ Managing environmental reporting, audit, and verification processes

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Executive Committee meetings take place weekly. Other core EC members, including the Assistant General Managers (COO), report their performance metrics related to energy, water, waste, and environment to the CEO on a weekly basis. The achievement of the reporting year's climate-related targets is presented and evaluated in the weekly 'Operating Committee Meetings (OCM)', where climate-related targets for the following year are set, and Risks & Opportunities are assessed. All results are then reported to the Executive Committee.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a business strategy which considers environmental issues

☑ Developing a climate transition plan

☑ Managing environmental reporting, audit, and verification processes

Other

☑ Other, please specify **:**Providing sustainability awareness training to employees, creating a digital ESG dashboard

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

Chief Sustainability Officer reports to the CEO four times a year and to the board of directors twice a year, tracks progress towards goals, and manages reporting and audit processes. Additionally, the CSO is responsible for developing the company's sustainability strategy and plans. To increase sustainability awareness within the company, the CSO organizes training sessions, conducts workshops, and communicates index gaps to teams to ensure awareness on this topic.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

☑ Managing supplier compliance with environmental requirements

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

☑ Conducting environmental scenario analysis

☑ Managing annual budgets related to environmental issues

☑ Implementing the business strategy related to environmental issues

☑ Developing a business strategy which considers environmental issues

☑ Managing environmental reporting, audit, and verification processes

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ Half-yearly

(4.3.1.6) Please explain

Everything related to the company's sustainability is the responsibility of the Sustainability Committee, which is headed by the Ford Otosan Leader. The Sustainability Committee is responsible for determining, implementing and overseeing the sustainability strategy at Ford Otosan to improve our sustainability performance in the social, environmental, economic and governance areas, and planning and executing the relevant activities with a systematic approach. Ford Otosan Sustainability Committee is headed by the Ford Otosan Leader, who also serves as a member of this committee, reports the committee's progress toward the targets and development areas, and secures approval for the relevant investments from the Board of Directors. • Monitors the management of risks with potential negative impact on Ford Otosan's reputation and activities in environmental, social and governance (ESG) areas. • Determines the strategies and policies to improve the company's ESG and sustainability performance and ensures that they are implemented. • Is responsible for providing the necessary strategic guidance, sharing expertise, and ensuring that the best practices to achieve the company's sustainability goals are spread across the organization. • Monitors the progress toward the targets and actions defined in this strategy. • Reviews the sustainability strategy and roadmap based on the latest changes in global and industry trends. • Follows the international developments, new regulations and global sustainability trends, and offers improvement recommendations to the working groups as needed. • Offers suggestions and approvals regarding the issues raised by the working groups.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee
☑ Risk committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities
☑ Assessing environmental dependencies, impacts, risks, and opportunities
☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement
☑ Managing supplier compliance with environmental requirements
☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets
☑ Monitoring compliance with corporate environmental policies and/or commitments
☑ Measuring progress towards environmental corporate targets
☑ Setting corporate environmental policies and/or commitments

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Early Detection and Management of Risk Committee (Risk Committee) and its members are responsible for managing strategic, operational, financial, and all ESG (Environmental, Social and Governance) risks and opportunities including climate-related risks and opportunities in compliance with the company's corporate risk-taking profile. The duties of the Early Determination and Management of Risk Committee include evaluating the risk management system and risk reporting principles of Ford Otosan, reviewing the periodical risk reports, submitting opinions regarding the measures for the issues that do not meet the limits set in the risk management system, and reviewing the risk management system and overseeing the implementation of the practices in the relevant departments responsible for risk management in accordance with the committee resolutions. In addition to evaluating information security practices, the committee also carries out studies on the surveillance of compliance risks and follow-up of related studies and the assessment of sustainability risks. The committee's reports and evaluations are submitted to the Board of Directors. The Risk Committee reports to the Board of Directors on risks and opportunities six times a year, four of which are board meetings. At Ford Otosan, the climate-related risks and opportunities are assessed with the participation of management-level representation. Effective management of climate-related risks is considered a key factor in mitigating operational impact and ensuring business continuity. Accordingly, we identify the climate change risks with potential impact on our operations and review them periodically during the relevant committee meetings with the participation of senior management.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Operating Officer (COO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

☑ Developing a climate transition plan

☑ Developing a business strategy which considers environmental issues

☑ Implementing a climate transition plan

☑ Managing environmental reporting, audit, and verification processes

☑ Conducting environmental scenario analysis

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Managing annual budgets related to environmental issues

☑ Implementing the business strategy related to environmental issues

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

The Executive Committee core members who are the Assistant General Managers (COO) report their performances on energy, water, wastes and other environment related risks & opportunities to the CEO in weekly meetings. Progress towards water-related targets is also monitored during the Risk Detection and Management Committee meetings held every three months. In addition to our long-term targets, we have short-term and annual water consumption targets monitored by Ford Global. The assessment of our target status is reviewed by the relevant location's Factory Manager and Operations Manager on a monthly basis. The Factory Manager conducts Risk & Opportunities assessments on a monthly basis. And CEO reports this progress to Board as half-yearly.

Water

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Risk committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing supplier compliance with environmental requirements

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental policies and/or commitments

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The primary goals of Ford Otosan in risk management are to evaluate the risk management system and reporting principles, review periodical risk reports, provide opinions on measures for issues that do not meet the limits set by the risk management system, and oversee the implementation of practices in relevant departments in accordance with committee resolutions. The Board of Directors, Early Determination and Management of Risk Committee, Audit Committee, Executive Management of the Company and Sustainability Committee are regularly informed about the risks, including water related ones. We identify the water risks with potential impact on our operations and review them periodically during the relevant committee meetings with the participation of senior management. Our current corporate risk management system is also used to manage climate change and other ESG-related risks. Accordingly, extensive studies are carried out on topics such as climate change, employee engagement and development, diversity, human rights and gender equality, while concurrently taking actions to mitigate risks.

Water

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Environmental, health, and safety manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan strategy which considers environmental issues
☑ Developing a business
☑ Implementing a climate transition plan reporting, audit, and verification processes
☑ Managing environmental
☑ Conducting environmental scenario analysis and/or operational expenditures relating to environmental issues
☑ Managing major capital
☑ Managing annual budgets related to environmental issues
☑ Implementing the business strategy related to environmental issues

(4.3.1.4) Reporting line

Select from:
☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ Quarterly

(4.3.1.6) Please explain

Environmental Health and Safety Manager is responsible of executing and monitoring the progress on water related target and goals with her team. An Environmental Health and Safety Manager sets and implements corporate environmental policies, assesses environmental risks, and develops climate transition plans to ensure sustainability and regulatory compliance.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:
☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

25

(4.5.3) Please explain

At Ford Otosan, the remuneration system for the Board members and senior executives is determined according to the Remuneration Policy. The fixed salaries of the Board members are approved by the General Assembly

annually and disclosed publicly. The salaries of the senior executives consist of 2 components: fixed and performance based. The fixed salaries of the senior management are determined in alignment with international standards and legal obligations. The performance based bonuses consist of 3 components: bonus base, company performance and individual performance. We believe that the relevant targets should be integrated into the performance scorecards of the senior management for the company to implement its long-term strategies and achieve the annual targets. The KPIs, defined according to the sustainability policies and strategies, are binding on all the employees, including the CEO and senior management.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ No, but we plan to introduce them in the next two years

(4.5.3) Please explain

At Ford Otosan, the remuneration system for the Board members and senior executives is determined according to the Remuneration Policy. The fixed salaries of the Board members are approved by the General Assembly annually and disclosed publicly. The salaries of the senior executives consist of two components: fixed and performance based. We believe that the relevant targets should be integrated into the performance scorecards of the senior management for the company to implement its long-term strategies and achieve the annual targets. KPIs, defined according to the sustainability policies and strategies, are binding on all the employees, including the Ford Otosan Leader and senior management. Furthermore, the year-end bonuses and pay raises for all the employees are determined by considering these performance indicators.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Achievement of climate transition plan

☑ Shift to a business model compatible with a net-zero carbon future

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Reduction of water withdrawals – direct operations

☑ Improvements in emissions data, reporting, and third-party verification

☑ Reduction in total energy consumption

Policies and commitments

☑ Adopting UN International Labour Organization principles

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Increased value chain visibility (traceability, mapping)

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Key indicators for 2024 which serve Ford Otosan Leaders goal of pioneering sustainability accountability and transparency in the countries where we operate in the automotive industry are listed below: • Achieve selected Carbon Neutrality Targets 100 compliance with European Union Carbon Border Adjustment Mechanism Embedding sustainability performance into sourcing decision.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Ford Otosan has set its target as achieving net zero emissions by 2050. A companywide Carbon Transition Program was launched to draw a roadmap and define action plans for transitioning to a lower carbon economy which will be needed to achieve this goal. In 2022 as Ford Otosan we declared our commitment to the Science-Based Targets initiative SBTi to set our short-term targets by adopting the approach to limiting global warming to 1.5oC as defined in the Paris Agreement We are currently working toward our long-term targets according to the SBTi guidance published in March 2024 The performance indicator is in line with our near-term science-based target which forms part of our Carbon Transition Program. As Ford Otosan we added ESG indicators to Ford Otosan Leaders CEOs performance card in line with our sustainability strategy and long-term goals in line with the company strategy.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Operating Officer (COO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

Strategy and financial planning

☑ Achievement of climate transition plan

☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Reduction of water withdrawals – direct operations

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Performance assessments and decisions in alignment with the Energy Road Map are achieved, integrated with the COO's targets, and reported to the Board. These factor into executive compensation through the Balanced Score Card.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Energy targets are transformed into individual business targets through the scorecard. The performances achieved influence the performance-based remuneration of employees at all levels. Ford Motor Company discloses long-term strategies, which are converted into Ford Otosan's long-term targets. The performance indicator is in line with our near-term science-based target, which forms part of our climate transition plan. The key performance indicators KPIs defined according to the sustainability policies and strategies are binding on all the employees including the Ford Otosan Leader and senior management.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

☑ Other targets-related metrics, please specify :Managing Annual Integrated Reporting

Strategy and financial planning

☑ Achievement of climate transition plan

☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy

☑ Board approval of climate transition plan

☑ Shareholder approval of climate transition plan

☑ Increased investment in environmental R&D and innovation

☑ Shift to a business model compatible with a net-zero carbon future

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Improvements in emissions data, reporting, and third-party verification

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

Pollution

☑ Other pollution-related metrics, please specify :Zero waste to landfill target

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ Adopting UN International Labour Organization principles

☑ Other policies and commitments-related metrics, please specify :SBTi and UNGC commitments

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Increased engagement with customers on environmental issues

☑ Increased value chain visibility (traceability, mapping)

☑ Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Corporate Communication and Sustainability Leader at Ford Otosan is responsible for managing the company's sustainability priorities and enhancing its sustainability performance. Additionally, she leads Ford Otosan's corporate communication strategy, internal and external communications, media relations, social media management processes, as well as corporate social responsibility projects.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

We set the targets we wanted to achieve in terms of climate change, waste and circular economy, water, diversity and inclusion, and society to lead the automotive industry and improve performance across the Ford Otosan ecosystem. We have committed to our near-term, science-based target as part of our carbon transition program. We have announced our long-term sustainability targets.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Environmental, Health, and Safety manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets
☑ Achievement of environmental targets
☑ Organization performance against an environmental sustainability index
☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Achievement of climate transition plan
☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy

Emission reduction

☑ Implementation of an emissions reduction initiative
☑ Reduction in emissions intensity
☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement
☑ Improvements in water accounting, reporting, and third-party verification
☑ Reduction in total energy consumption
☑ Reduction of water withdrawals – direct operations
☑ Improvements in water efficiency – direct operations
☑ Improvements in emissions data, reporting, and third-party verification

Pollution

☑ Reduction of water pollution incidents
☑ Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

ESG indicators are included in the performance card of the Environmental, health, and safety manager: - CDP Reporting is managed by the Environmental Health and Safety Manager. - Improve company ESG practices - Implement carbon neutral plan

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

We set the targets we wanted to achieve in terms of climate change, waste and circular economy, water, diversity and inclusion, and society to lead the automotive industry and improve performance across the Ford Otosan ecosystem. We have committed to our near-term, science-based target as part of our carbon transition program.

We have announced our long-term sustainability targets in line with our "Future.Now" vision. We are currently working toward our long-term targets according to the SBTi guidance published in March 2024.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Risk manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Other targets-related metrics, please specify :Climate related risk and opportunities

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

ESG indicators are included in the performance card of the risk manager: - Integrating risk management in all business processes. - Moving towards a predictive risk management function. - Promoting a risk culture within the organization

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Risk management activities are carried out with a holistic approach to cover the entire company and in integration with the business processes through the risk leader and risk coordinators responsible for each department, under the leadership of the Corporate Risk Management function. Emerging risks are followed proactively, their long-term impact on the company is assessed and regular reports are submitted to the senior management and the Risk Committee.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

☑ Other facility/unit/site manager, please specify :Central Maintenance and Facility Manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

Emission reduction

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Reduction in total energy consumption

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

ESG indicators are included in the performance card of the Central Manager and Facility Manager: - Improve company ESG practices - Implement carbon neutral plan

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

We set the targets we wanted to achieve in terms of climate change, waste and circular economy, water, diversity and inclusion, and society to lead the automotive industry and improve performance across the Ford Otosan ecosystem. We have committed to our near-term, science-based target as part of our carbon transition program

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Other senior-mid manager, please specify :Environmental Manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

Resource use and efficiency

☑ Energy efficiency improvement

☑ Improvements in water accounting, reporting, and third-party verification

☑ Reduction in total energy consumption

☑ Reduction of water withdrawals – direct operations

☑ Improvements in water efficiency – direct operations

☑ Reduction in water consumption volumes – direct operations

Pollution

☑ Reduction of water pollution incidents

☑ Reduction or phase out of hazardous substances

☑ Improvements in wastewater quality – direct operations

☑ Increase in substitution of listed environmental contaminants

☑ Increase in discharge treatment compliance and meeting regulatory requirements – direct operations

☑ Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)

Engagement

☑ Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Year-end bonuses are awarded based on the performance, climate and water related performance metrics of Environmental Manager are mentioned above.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

As the Environmental Manager, the areas of responsibility include the Kocaeli, Eskişehir, and Sancaktepe locations. Integration efforts are being carried out at the Romania location within the scope of SBTi, ISO 14001, and ISO 14064. It provides knowledge transfer in environmental engineering, sets strategies and targets, leads the creation and implementation of the emissions reduction program, and provides leadership in sustainability matters.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply
☑ Climate change

(4.6.1.2) Level of coverage

Select from:
☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply
☑ Direct operations
☑ Upstream value chain
☑ Downstream value chain

(4.6.1.4) Explain the coverage

The Environmental and Energy Policy of Ford Otomotiv Sanayi AŞ focuses on reducing the company's environmental impact and enhancing energy efficiency. The policy emphasizes compliance with the environmental

standards of Koç Holding, Ford Otosan and Ford Motor Company as well as relevant legislation key aspects include compliance with environmental standards, minimizing pollution, efficient resource use, waste reduction and recycling, robust risk management and promoting renewable energy. The policy also emphasizes continuous improvement of environmental performance and raising awareness among employees, stakeholders and the community about environmental responsibilities.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

☑ Commitment to net-zero emissions

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Paris Agreement

☑ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

ford-otosan-cevre-ve-enerji-politikasi-EN.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Water

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(4.6.1.4) Explain the coverage

The Ford Otosan Water Policy emphasizes sustainable water management practices across all operations. As disclosed in the Water Policy published, we are committed to; -Reducing fresh water consumption per vehicle in operational processes -Prioritizing innovative and sustainable water management systems in new investments and projects -Focusing on water stewardship as a priority in plants faced with water stress according to regional situation assessments

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

Water-specific commitments

☑ Commitment to control/reduce/eliminate water pollution
☑ Commitment to reduce water consumption volumes
☑ Commitment to reduce water withdrawal volumes
☑ Commitment to the conservation of freshwater ecosystems

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

FO_Water_Policy.pdf

Row 3

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(4.6.1.4) Explain the coverage

The Ford Otosan Biodiversity Strategy focuses on conserving biodiversity and managing natural resources sustainably across its operations. It aims to prevent and mitigate threats to biodiversity adhere to International Union for Conservation of Nature (IUCN) guidelines and integrate biodiversity considerations into decision-making. The strategy includes evaluating facility locations conducting environmental risk assessments and implementing site-specific Biodiversity Action Plans. It also emphasizes stakeholder engagement raising awareness and encouraging sustainable practices among employees and suppliers.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to avoidance of negative impacts on threatened and protected species

☑ Other environmental commitment, please specify **:**Natural resources will be used in compliance with the International Union for Conservation of Nature (IUCN) guidelines.

Additional references/Descriptions

☑ Description of biodiversity-related performance standards

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with another global environmental treaty or policy goal, please specify **:**The International Union for Conservation of Nature (IUCN) guidelines

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

ford-otosan-biodiversity-strategy_en.pdf

Row 4

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(4.6.1.4) Explain the coverage

At Ford Otosan human and employee rights are protected across the entire value chain. Discrimination is strictly prohibited. In addition Ford Otosan guarantees fair work conditions for all employees. Guided by the Human Rights Policy and the Universal Declaration of Human Rights Ford Otosan protects employee rights in recruitment promotion career development wages benefits and diversity. Together with all our business partners we adopt a zero tolerance policy against forced labor, child labor, and all kinds of discrimination and harassment.

(4.6.1.5) Environmental policy content

Social commitments

☑ Adoption of the UN International Labour Organization principles

☑ Commitment to promote gender equality and women's empowerment

☑ Commitment to respect internationally recognized human rights

☑ Other social commitment, please specify **:**Diversity and Equal Recruitment Opportunities Non-Discrimination Zero Tolerance to Child / Forced Labor Health and Safety

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with another global environmental treaty or policy goal, please specify **:**The United Nations Guiding Principles on Business and Human Rights, The United Nations Global Compact, "The Universal Declaration of Human Rights (UDHR), The ILO Declaration on Fundamental Principles and Rights at Work

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

antetli_human-rights-policy.pdf

Row 5

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

(4.6.1.4) Explain the coverage

In line with its diversity and inclusion approach Ford Otosan places its Equality at Work Diversity Policy and Human Rights policy all created by considering its corporate culture and values to provide a work environment based on equal opportunity respectful of differences and ethical values at the core of its activities. According to UN Women Empowerment Principles Declaration of Equality at Work, signed in 2013, the company is committed to tackling gender inequality. Ford Otosan's diversity equity and inclusion efforts are focused on human rights health education empowerment of disadvantaged groups science and technology and gender equality. The results of the Independent Audit on Equal Pay for Equal Work practices and the Human Rights Due Diligence Report are also published publicly.

(4.6.1.5) Environmental policy content

Social commitments

☑ Commitment to promote gender equality and women's empowerment

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ No, and we do not plan to align in the next two years

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

2022_diversity_policy.pdf

Row 6

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Upstream value chain

(4.6.1.4) Explain the coverage

The Ford Otosan Supply Chain Compliance Policy establishes guidelines for Ford Otosan and its subsidiaries regarding their business practices with partners. The policy's goal is to promote ethical standards, ensure compliance with regulations, and align with Ford Otosan's core values. Ford Otosan expects its Business Partners to make every effort to protect and preserve the environment. In this respect, Ford Otosan encourages its Business Partners to: - Comply with all applicable environmental laws and regulations including Ford Otosan's Environmental and Energy Policy. - Continuously improve their environmental performance and reduce their environmental impact to address climate change, water management, waste management and protection of biodiversity. - Have effective monitoring systems and procedures in place against industrial accidents and other emergency situations. - Encourage their Business Partners and third parties to improve their environmental performance.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

Water-specific commitments

☑ Commitment to control/reduce/eliminate water pollution

Social commitments

☑ Adoption of the UN International Labour Organization principles

☑ Commitment to promote gender equality and women's empowerment

☑ Commitment to respect internationally recognized human rights

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with another global environmental treaty or policy goal, please specify :The UN Global Compact , The UN Guiding Principles on Business and Human Rights, The Universal Declaration of Human Rights (UDHR), The ILO Declaration on Fundamental Principles and Rights at Work

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

antetli_supply-chain-compliance-policy.pdf
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ Science-Based Targets Initiative (SBTi)

☑ Task Force on Climate-related Financial Disclosures (TCFD)

☑ UN Global Compact

(4.10.3) Describe your organization's role within each framework or initiative

Ford Otosan remains dedicated to contributing to Koç Holding's "Carbon Transition Program" aimed at realizing the 2050 carbon neutral target. Therefore, we actively follow implement and support global sustainability initiatives such as the Science-Based Targets initiative (SBTi) and the Task Force on Climate-related Financial Disclosures (TCFD). In 2022 we declared our commitment to the Science-Based Targets initiative (SBTi) to set our short-term targets by adopting the approach to limiting global warming to 1.5oC as defined in the Paris Agreement. The first submissions were completed in January 2023. We plan to complete the submission process for short and long-term targets based on the revised methodology changes made by SBTi in March 2024. Ford Otosan monitors TCFD risks among its material issues and regularly reviews them within the Risk Committee. As part of our risk management approach we mapped our climate change risks. During the reporting period we started a study to measure climate-related risks. Progress is reported to the Early Determination and Management of Risk Committee. At Ford Otosan our commitment to sustainability is an integral part of our corporate approach as we actively pursue fair transparent and accountable management practices. As a testament to this commitment, we have proudly joined UN Global Compact (UNGC) as a signatory while we manage all our business processes in a manner to contribute to the Sustainable Development Goals.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged directly with policy makers

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

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(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Ford Otosan engages in contributing in the policy meetings solely or through Koç Group Environmental Board. Ford Otosan is a publicly traded (18%) company, where Ford Motor Company (41%) and Koç Holding A.Ş.(41%) have equal shares. Through the Koç Environment Committee, a platform that brings together environment, energy and sustainability experts from all Koç Group companies, the Group aims to build shared knowledge across all industries. Koç Group work with industry and sector peers, government institutions, international organizations, academia and civil society to drive forward the climate change agenda and support policy development, both nationally and internationally. Ford Otosan has been invited to attend the climate council workshops in 2022, the results of which will also serve as input for the approval of the 'Climate Law' currently in Parliament. The workshop results are being utilized in the development of Climate Change Mitigation and Adaptation Plans, which are currently being created by the Ministry of Environment, Urbanization, and Climate Change (MoEUCC). The experts who attend these meetings inform the Executive Committee. The Climate Council aims to finalize the Emission Trading System by 2024. The emissions from the incinerator outlets at the Kocaeli Plants are continuously measured, and also monitored online by the Ministry of Environment, Urbanization and Climate Change. The IPCC Directive (Integrated Pollution Prevention and Control) requires industrial and agricultural activities with a high pollution potential to have a permit, which can only be issued if certain environmental

conditions are met, so that the companies themselves bear responsibility for preventing and reducing any pollution they may cause. We follow the requirements of this directive to review the automotive industry's performance and the best available techniques. We also attend the meetings organized by the Ministry of Environment, Urbanization and Climate Change and submit our opinions.
[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Türkiye Import Regulation - DEEP Project; We periodically submit comments to the DEEP (Evaluation of Türkiye's Potential for Transition to Circular Economy) Project conducted by the Ministry of Environment, Urbanization and Climate Change. The opinions we provide within the scope of this project are related to the harmonization of the European Union Battery Passport and End-of-life Directive (ELVD) legal regulations in Türkiye.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply
☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Low-impact production and innovation
☑ Circular economy
☑ Extended Producer Responsibility (EPR)
☑ Low environmental impact innovation and R&D
☑ Recycling and recyclability
☑ Sustainable production and consumption

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:
☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply
☑ Turkey

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☑ Neutral

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply
☑ Regular meetings
☑ Ad-hoc meetings
☑ Participation in working groups organized by policy makers
☑ Participation in voluntary government programs
☑ Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Within the scope of the sustainability targets published in 2022, Ford Otosan has committed to use 30% recycled and renewable plastics in the vehicles to be commissioned as of 2030. If we cannot find the R/R plastics materials we plan to use in the vehicles in Türkiye we will face the risk of not meeting our targets if we cannot bring them abroad due to legal regulations. Therefore, the legal regulation on import restrictions directly affects our targets. Türkiye's import restriction restricts the import of recycled plastic granulate. It puts at risk the 20% sustainable plastic use target for 2025 and 30% sustainable plastic use target for 2030, which are among the targets committed by Ford Global and Ford Otosan. Ford Otosan has requested under the roof of OSD that this legal regulation to be revised in a way that does not put our targets at risk. Opinions regarding the revisions have been conveyed to the relevant ministries through OSD and TOBB.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:
☑ No, we have not evaluated
[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:
☑ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ GRI

☑ TCFD

☑ Other, please specify :Integrated Reporting Framework

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Value chain engagement

☑ Biodiversity indicators

☑ Public policy engagement

☑ Water accounting figures

☑ Content of environmental policies

(4.12.1.6) Page/section reference

Content of environmental policies (page:41) Biodiversity indicators (page: 113) Governance (page:59-71) Public policy engagement (page:155-159) Risk & opportunities (page:71-74, 178-194) Strategy (page:35-56) Value chain engagement (page:46-51, 114-117) Emissions figures (page:107) Emissions targets (page:92-98) Water accounting figures (page:112)

(4.12.1.7) Attach the relevant publication

(4.12.1.8) Comment

Ford Otosan 2023 Integrated Report covers company's Türkiye and Romania operations during the period of January 1- December 31 2023. This comprehensive document merges financial performance with detailed insights into environmental social and governance (ESG) practices providing stakeholders with a clear understanding of how Ford Otosan generates long-term value. The report highlights key areas such as sustainable manufacturing processes, innovative product development, community engagement initiatives and robust governance structures. The report has been prepared in accordance with the GRI Standards.
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Every three years or less frequently

Water

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Every three years or less frequently
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios
☑ IEA SDS

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ Unknown

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global regulation

☑ Global targets

☑ Methodologies and expectations for science-based targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

We used transitional (IEA SDS) scenarios in qualitative analysis. To help reduce the GHG emissions associated with the use of our vehicles, we are committed to make more efficient, lower-impact vehicles and technologies accessible at scale such as weight reduction, advanced power train options, electrical system improvements, new engine/transmission technologies by evaluating the use of lower carbon fuels while promoting Eco-driving through training, information and vehicle technology.

(5.1.1.11) Rationale for choice of scenario

We leverage the ReCube (Recycle, Reuse, Reduce) project, which follows the Design for Sustainability principle, to analyze the products' environmental impact throughout the raw material, manufacturing, usage and recycling processes and continue to integrate Ford Otosan's sustainability approach into all the R&D activities. In the circular economy studies under the Recube umbrella, we consider the manufacturing, use and recycling processes of our products, starting from the design stage. This approach allows us to conduct environmental impact analyses by calculating the greenhouse gas emissions of the products in the raw material, production, use and recycling stages. Based on the analysis results, we identify the processes with the most intense environmental impact and introduce the necessary improvements. Furthermore, we strive to follow circular economy principles during product development, from the design stage. Through these efforts, we aim for our products to be long-lasting, reusable, recyclable, and for end-of-life products to be recycled and reintroduced into the manufacturing process. Using the Life Cycle Assessment (LCA) method, we identify our products' environmental impact based on the inputs and outputs across the life cycle, and evaluate their impact on global warming with carbon dioxide equivalent. The ISO14040 (2006) and ISO14044 (2006) Standards guide the critical points of the LCA methodology. The Life Cycle Assessments at Ford Otosan encompass the entire life cycle of products and processes in regard to parts, vehicles and end of life (EoL) products. The results are assessed in 11 different impact categories, including global warming, stratospheric ozone depletion, acidification, eutrophication, terrestrial toxicity, aquatic toxicity, human health, resource depletion and freshwater, marine and soil ecotoxicity. At Ford Otosan, we completed the life cycle assessments for all internal combustion vehicles in the passenger, light commercial and commercial segments, all-electric vehicles in the MCV segment, and 99.99% of the products manufactured and sold in 2023.

Water

(5.1.1.1) Scenario used

Water scenarios

☑ WRI Aqueduct

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Ford Otosan has determined that all of its facilities in Türkiye are located in the Marmara and Sakarya basins, known as high water-stressed basins. The Marmara basin, where the Kocaeli plants and the Sancaktepe complex are located, is a high risk (40%-80%) region, while the Sakarya basin, where the Eskişehir plant is located, is an extremely high risk (80%) area. On the other hand, the Craiova plant in Romania was assessed to have low water risk (2C), the World Resources Institute (WRI) anticipates that water supply in the region where both the Gölcük and Yeniköy plants are located will decrease by approximately 20% compared to current water supply levels by 2040. In contrast, the water demand (domestic, industrial, irrigation, animal husbandry, etc.) is expected to increase by more than 40% compared to 2010 levels.

(5.1.1.11) Rationale for choice of scenario

Ford Otosan's exposure to physical risks is at similar levels in low, medium and high scenarios. According to the medium climate scenario, the risks with the highest impact are water stress and heat/cold weather waves, respectively. Flooding, rising sea levels and hurricanes rank as the lowest physical risks. The analyses covered six Ford Otosan locations in Türkiye, including R&D, training, marketing and manufacturing sites. According to the medium (2C) scenario, Ford Otosan's Gölcük, Yeniköy and Eskişehir sites would be exposed to high levels of water stress. Water quality and quantity are critically important for Ford Otosan's production processes. Water resources are used directly in production processes, including finishing, washing, rinsing, body painting, processing of powertrain parts and cooling, to ensure the continuity of operations. According to the assessment results, Ford Otosan's overall physical risk score is at a medium level, with the main risk identified as water stress. Exposure to other physical risks is relatively low compared to other regions around the world. Heat waves and cold weather constitute the second most apparent risks for Ford Otosan facilities.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0°C and above

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global regulation

☑ Global targets

☑ Methodologies and expectations for science-based targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

High Climate Change Scenario (RCP 8.5): Continuation of business as usual with emissions at current rates. This scenario is expected to result in warming in excess of 4 degrees Celsius by 2100.

(5.1.1.11) Rationale for choice of scenario

Till 2020 Ford Otosan engaged with FMC, the mother company's scenario base analysis. In 2021 we worked with external consultants to evaluate the physical risks of the company's relevant regions including facilities, main suppliers and customers. We have used high spatial resolutions to be able to assess the risks and opportunities more accurately. We are still reviewing publicly available climate scenarios. Regarding Ford Otosan's physical risks, Trucost conducted a study on the impact of different climate risks on assets according to three different global warming scenarios. These risks include water stress, flooding, cold weather and heat waves, hurricanes, wildfires and rising sea levels. The analysis of physical risks considered three different climate scenarios adopted by the Intergovernmental Panel on Climate Change (IPCC): Low Climate Change Scenario (2C), and High Climate Change Scenario (4C).

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0ºC - 2.4ºC

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global regulation

☑ Global targets

☑ Methodologies and expectations for science-based targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Moderate/Medium Climate Change Scenario (RCP 4.5): Strong mitigation actions to reduce emissions to half of current levels by 2080. This scenario is more likely than not to result in warming in excess of 2 degrees Celsius by 2100.

(5.1.1.11) Rationale for choice of scenario

Till 2020 Ford Otosan engaged with FMC, the mother company's scenario base analysis. In 2021 we worked with external consultants to evaluate the physical risks of the company's relevant regions including facilities, main suppliers and customers. We have used high spatial resolutions to be able to assess the risks and opportunities more accurately. We are still reviewing publicly available climate scenarios. Regarding Ford Otosan's physical risks, Trucost conducted a study on the impact of different climate risks on assets according to three different global warming scenarios. These risks include water stress, flooding, cold weather and heat waves, hurricanes, wildfires and rising sea levels. The analysis of physical risks considered three different climate scenarios adopted by the Intergovernmental Panel on Climate Change (IPCC): Low Climate Change Scenario (2C), and High Climate Change Scenario (4C).

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.6ºC - 1.9ºC

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes
☑ Global regulation
☑ Global targets
☑ Methodologies and expectations for science-based targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Low Climate Change Scenario (RCP 2.6): Aggressive mitigation actions to halve emissions by 2050. This scenario is likely to result in warming of less than 2 degree Celsius by 2100.

(5.1.1.11) Rationale for choice of scenario

Till 2020 Ford Otosan engaged with FMC, the mother company's scenario base analysis. In 2021 we worked with external consultants to evaluate the physical risks of the company's relevant regions including facilities, main suppliers and customers. We have used high spatial resolutions to be able to assess the risks and opportunities more accurately. We are still reviewing publicly available climate scenarios. Regarding Ford Otosan's physical risks, Trucost conducted a study on the impact of different climate risks on assets according to three different global warming scenarios. These risks include water stress, flooding, cold weather and heat waves, hurricanes, wildfires and rising sea levels. The analysis of physical risks considered three different climate scenarios adopted by the Intergovernmental Panel on Climate Change (IPCC): Low Climate Change Scenario (2C), and High Climate Change Scenario (4C).
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Capacity building

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

The scenario analysis highlights the escalating physical risks under different climate change pathways, emphasizing the need for proactive mitigation strategies. Additionally, the outcomes underline how climate risks are intertwined with broader environmental issues like water scarcity, ecosystem degradation, and social resilience. Within the climate scenario, in the context of water stress, which will significantly affect our facilities, the majority of investments began in 2023 and are expected to be completed and operational in the short term.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Capacity building

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

According to the assessment results, Ford Otosan's overall physical risk score is at a medium level, with the main risk identified as water stress. The completion of this scenario analysis has accelerated the feasibility studies of groundwater resources at our facilities. In the short term, we have initiated hydrogeological projection studies to minimize the risk of production stoppage and are working on alternative water sources. Based on the results of the scenario analysis, we are accelerating our water recovery investments, aiming to mitigate the risks of water scarcity and water stress.
[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

☑ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☑ Yes

(5.2.5) Description of activities included in commitment and implementation of commitment

Ford Otosan remains dedicated to contributing to Koç Holding's "Carbon Transition Program," aimed at realizing the 2050 carbon neutral target. Therefore, we actively follow, implement and support global sustainability initiatives such as the Science-Based Targets initiative (SBTi) and the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, we closely monitor the implications of decisions, such as the phasing out of fossil fuels at COP28, within the automotive and mobility industry, shaping our strategies accordingly. Aligned with global electrification strategies, particularly concerning electric and hybrid vehicles, we continue to reinforce our R&D investments. With a vision to transition the majority of our sales, from passenger cars to heavy commercial vehicles, to zero-emission by 2040, we are actively developing projects such as electric vehicles and internal combustion hydrogen engines. Ford Otosan works on increasing the use of renewable energy and transitioning to net zero emission production and discloses these activities to the public through Annual Integrated reports, along with detailed targets.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ Our climate transition plan is voted on at Annual General Meetings (AGMs)

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

In the face of pressing global challenges, the imperative for transformative change has never been more urgent. Sustainable solutions, guided by collective wisdom and decisive action, are paramount. At Ford Otosan, we are steadfast in our commitment to spearheading the sustainability revolution within the Turkish automotive sector. Our mission extends beyond mere adaptation; we aspire to seamlessly integrate our operations and the broader national ecosystem into the transformative agendas outlined by initiatives like the European Union Green Deal. Furthermore, we are dedicated to supporting both our organization and all our stakeholders along the Ford Otosan

value chain throughout the transition process. Our sustainability approach is built on reducing our environmental impact, being a corporate citizen, leading the ecosystem, and being transparent and accountable. Accordingly, we pioneer several sustainability, accountability and transparency practices in the automotive industries of the countries where we operate. We also strive to be among the first carbon neutral plants and rank among the automotive companies with the highest female employment ratio in our territories. Therefore, we include sustainability into all the governance mechanisms at Ford Otosan, top to bottom. And we work to expand the scope of our reporting and improve our performance in the globally recognized sustainability indices. Moreover, we aim to develop a sustainable business model with enhanced performance on the indices through expanded reporting practices and by considering sustainability-linked loan options. Such efforts enable us to elevate our own sustainability levels and continue to adopt best sustainability practices as a pioneer in the industry. We set the targets we wanted to achieve in terms of climate change, waste and circular economy, water, diversity and inclusion, and community to lead the automotive industry and improve performance across the Ford Otosan ecosystem.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

- All the electricity used in all Ford Otosan sites in Türkiye is procured from 100% renewable energy sources. The innovative Yeniköy Plant, which features 'Solar Tracking Systems' and 'Solar Wall', was opened in 2023. - Energy procurement from 100% renewable sources for electricity consumption in Türkiye and Romania - GHG emissions per vehicle produced: 0.28 tons CO2e - Total quantity of waste recovered: 157 tons - USD 4.071.885 (96.7 million TL) savings achieved through environmental investments - Number of sustainable products and services: 16,638 - Revenues from sustainable products and services USD 808,481,986 (TL 19.2 billion)

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

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(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ Plastics

☑ Water

☑ Biodiversity

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

ACTIONS TAKEN IN 2023 IN LINE WITH RISK MITIGATION STRATEGY - Regarding Waste Management and Circular Economy, activities are carried out on sending zero waste to landfills, eliminating single-use plastics in personal use and using 30% renewable and recycled plastics in vehicles. - Regarding water management, we continue to work on reducing the use of clean water at all our locations. - We created a Water Supply Action Plan against drought risks. - We identified the water stress risk values of our locations using the WRI Aqueduct "Global Water Risk Mapping Atlas," which maps future water risks. - We conducted a preliminary risk assessment study using two tools, SBTN (Science Based Targets for Nature) and IBAT (Integrated Biodiversity Assessment Tool), specifically for Ford Otosan's locations. We also introduced Ford Otosan's Biodiversity Strategy.
[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Products and services

☑ Upstream/downstream value chain

☑ Investment in R&D

☑ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Within a broad range of R&D activities, we work on reducing the use of natural resources and waste generation, reusing waste materials as by-products/raw materials, and using secondary recycled materials, and design processes toward a circular economy. In addition to producing innovative clean energy vehicles and reducing emissions in the current vehicle range, we also focus our research and development on recovering precious metals, developing AI-assisted autonomous vehicles and emission control systems, and using more recycled materials. At Ford Otosan, we aim to shape the future of the automotive industry with a responsible and innovative approach to product and service design, and file applications to obtain national and international patents to register our intellectual property. In 2023, we expanded our current portfolio by obtaining 26 patents, including 8 national and 18 international patents. Ford Otosan assumes important duties as a partner and coordinator in many EU-funded local and international research projects and local R&D projects, which focus on the exploration and

development of alternative technologies, including electric, hybrid and fuel cell vehicles. Ford Otosan completed the Horizon 2020 program with 20 projects and Euro 7.73 million funding in total, becoming this program's highest funded industrial company in Türkiye. As announced on TÜBİTAK's official website on October 26, 2023, we rank first among the industrial companies that have received the highest funding with a total of Euro 7.27 million for 16 projects within the Horizon Europe program. As of year-end 2023, the number of our Horizon 2020 and Horizon Europe projects stands at 39, including 13 completed, 18 ongoing, and eight accepted and planned to launch in 2024. We intend to apply for new projects within the framework of Horizon European funding planned for the period through 2027. In alignment with the European Emission Monitoring system, we continue to launch R&D projects on fuel consumption reduction and alternative fuel integration in response to the requirements of draft and applicable laws that impose legal restrictions and financial limits on the carbon emissions of vehicles. In 2023, revenues from sustainable products and services amounted to approximately USD 808 million (TL19,2 billion).

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Ford Otosan currently works with 2,399 suppliers in total, including 1,971 local suppliers, to source raw materials, parts and materials. The supplier selection process begins at the design stage of products and services. As part of responsible purchasing practices, suppliers are included in the Supplier Sustainability Evaluation and Development Program. All the suppliers involved in the vehicle projects take part in all processes end-to-end from plant construction and installation of production lines to equipment orders, actions of the project teams and the production part approval process (PPAP) of the final parts. We started to work toward our target of becoming carbon neutral across the entire supply chain in 2022. In the first stage, we conducted supplier sustainability assessments with pilot-scale companies in 2022. In addition to expanding the question set in late 2023, we organized awareness-raising activities such as Supplier Sustainability Conferences, online Sustainability training programs and Supplier Workshops. The process that began with awareness sessions continued with self-assessment and training at all suppliers and auditing of critical suppliers. The work carried out in 2023 included the creation of Net Zero Roadmap for our suppliers who produce critical product groups and the updating of existing procedures. Currently, 13 critical suppliers have set net zero targets for 2050. We also aim to share supplier responsibilities with Ford Global in 2024. At the Supplier Sustainability Workshop we organized in November 2023, we set goals with our critical suppliers under the scope of Environmental, Social, Governance and Supply Chain, covering all areas of sustainability, which are committed to be realized in 6 months, 1 year and 2 years. These include items such as establishing an ethics hotline, establishing a sustainability governance model, appointing a sustainability leader, and publishing the CDP report and etc. In the Supplier Sustainability Committee meetings, which we started in 2024, we come together with our critical suppliers to discuss action plans regarding the road map, encourage our suppliers to share their good practices, and provide trainings in their development areas with experts outside the company as well as our corporate knowledge sharing.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Ford Otosan boasts global presence with a pioneering, competitive and competent R&D organization in the field of commercial vehicles, with a total of 2,089 R&D employees at the Sancaktepe, Gölcük and Eskişehir R&D Centers and METU Technocity office. In addition to working on vehicle design, interior and exterior body, engine and power transmission, chassis, electrical and electronic system development and testing, these centers also engage in advanced R&D work on reducing CO2 emissions, developing connected vehicles, autonomous vehicles, electric vehicles, light vehicle technologies and low-density, recyclable and renewable materials. During the design phase, factors such as ergonomics, usability and aesthetics are considered in the exterior and interior designs of the vehicles. All these activities are based on the principle of Design for Sustainability. In addition to developing comprehensive mobility solutions to mitigate environmental impact, Ford Otosan also takes into account the vehicles and their components along with all transportation types and infrastructures and people's mobility habits. The R&D Centers develop and deploy services (such as smart maintenance and Live) or complementary products (such as charging stations) that align with customers' businesses and lifestyles, improve their freedom of mobility and/or enhance efficiency during use. They also design and develop products by considering customer expectations and technological advancements. Ford Otosan, a leading product development center within the global Ford organization, engages in research and development focused on product programs. In 2023, the total R&D spending allocated for various product development projects amounted to TL 7,000 million (2022: TL 6,540 million) before capitalization and TL 5,309 million (2022: TL 2,851 million) after capitalization.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Effective management of our environmental impact resulting from our operations ranks among our key material sustainability issues. Therefore, we work to control and reduce our negative environmental impact across all stages of our activities. During production, we not only emit GHG and various other gases but also consume energy, water and materials and generate waste. Because of fuel consumed and GHG emitted during our production and other operations, we create a larger environmental footprint. In line with our Future. Now vision, our 2030 targets include: • Becoming carbon neutral across our manufacturing sites and R&D center in Türkiye. • Reaching zero waste in landfills. • Eliminating single-use plastics from personal consumption. • Using 30% renewable and recycled plastics in vehicles. • Consuming 40% less fresh water per vehicle at each manufacturing site. We manage all the products and services at all our complexes in Türkiye in alignment with the ISO 14001:2015 Environmental Management System and ISO 50001:2018 Energy Management System. In addition to the annual verifications for ISO 14064-1: 2018 Greenhouse Gases – Calculation and Validation Management System, we also undergo ISO 14001, ISO 50001 and ISO 14064 audits every year to keep our certifications up-to-date. With the ISO 14064:2018 greenhouse gas verification audit for the 2021 data in 2022, we had our indirect emissions and direct emissions verified and validated for the first time. Meanwhile, the ISO 14064 harmonization is ongoing at the Craiova Plant in Romania. In 2023, we received our first validation for the Craiova Plant's greenhouse gas emissions, verifying our 2021 and 2022 GHG emission data. As part of the Environmental Management System (EOS), we undergo annual audits to ensure that our environmental management system is continuously enhanced. In addition to Koç Group's environmental audits every two years, we receive planned and unannounced audits from the Ministry of Environment, Urbanization and Climate Change and other relevant Ministries within the year. To date, we have not been imposed any non-compliance fines or penalties as a result of these inspections. Ford Otosan Kocaeli Plants and Eskişehir Plant are subject to the Regulation on Monitoring Greenhouse Gas Emissions. As is the case every year, the plants successfully passed the verification audits in 2023 and the relevant emission reports were submitted to the Ministry of Environment, Urbanization and Climate Change. In 2023, Ford Otosan's total environmental investments and spending, including costs of measurements and analyses, waste disposal, chemicals, personnel, certification and permits, consultancy and training, maintenance and repairs related to environmental management, amounted to TL 254.58 million (USD 10.719.965).
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply
☑ Revenues
☑ Indirect costs
☑ Access to capital
☑ Assets
☑ Liabilities

(5.3.2.2) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

REVENUES: In 2023, the number of sustainable products and services offered was 16,638, generating revenues of TL 19.2 billion (USD 808,481,986), which accounted for 4.7% of the total revenues. INDIRECT COSTS: Our planning has been influenced by the assessment of climate change-related operating costs. At Ford Otosan, we created our roadmap for transition to a low-carbon economy in three focus areas: 1) Analyzing the climate-related risks and opportunities and creating action plans based on the outputs. 2) Setting targets to reach the net zero emission commitment by 2050 and creating detailed targets and roadmaps by developing strategies. 3) Following the climate-focused policies and practices, starting with the European Green Deal, achieving compliance, and engaging in partnerships. In line with our vision of the Future.Now, our 2030, 2035 and 2040 targets as follows: - Becoming carbon neutral at manufacturing sites and the R&D center in Türkiye by 2030. - Selling only zero-emission passenger vehicles by 2030. -Selling only zero-emission light and medium commercial vehicles, becoming carbon neutral across the entire supply chain, and achieving carbon neutrality in logistics operations by 2035. - Selling only zero-emission heavy commercial vehicles by 2040. - Reaching zero waste to landfills, Completely eliminating single-use plastics from personal consumption, Increasing the ratio of recycled and renewable plastics used in the plastic components of the vehicles sold to 30% by 2030 - Reducing the amount of fresh water used in the Gölcük and Yeniköy manufacturing sites by 40% by 2030. ACCESS TO CAPITAL: Locally and globally funded R&D and Horizon Europe projects are carried out to explore, develop and launch various alternative fuel vehicle technologies such as electric, hybrid and fuel cell vehicles. Ford Otosan also joined the European Union's zero emission logistics project Horizon Europe Zero Emission Freight EcoSystem. As part of the project, the first fuel cell electric (FCEV) F-MAX to run on hydrogen will be developed. ASSETS & LIABILITIES: With risk management, our primary objectives are to anticipate, manage, mitigate and monitor the risks that may potentially impact the company and to prepare action plans for risk and crisis management in advance.
[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
	Select from: ☑ No, but we plan to in the next two years

[Fixed row]

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

(5.5.1) Investment in low-carbon R&D

Select from:

☑ Yes

(5.5.2) Comment

At Ford Otosan, we work to incorporate the impact of greenhouse gas emissions resulting from our activities into the decision-making processes when considering new investments and also toward the carbon neutrality across all operations along with products and services. Under our Future. Now vision, we disclosed our long-term sustainability targets in 2022 that will also contribute to our Net Zero commitment in alignment with the 1.5C goal. As we make progress on our targets, we encourage practices that address the entire value chain of Ford Otosan and prioritize cooperation with our stakeholders, starting with our suppliers. Digitalization and innovation are regarded as the most critical drivers and catalysts of the transformation in the automotive industry. Accordingly, we invest in clean production technologies by considering climate-related risks and opportunities to mitigate their impacts and adapt to evolving climate conditions, while also ramping up our energy transition focused electrification investments. Since kickstarting the investments in next-generation electric and connected commercial vehicles and battery assembly plant projects in 2022, we have not only made significant strides but also joined a number of international R&D projects in 2023. Moreover, we enhanced resource efficiency in our Transit and Custom vehicles. Meanwhile, Ford Trucks – as a partner in an EU-funded project – started to develop a concept vehicle featuring fuel cell technology. Based on the materiality analysis, we categorized the material issues as very high priority and high priority. According to the results, climate change, occupational health and safety, vehicle carbon footprint/fuel efficiency, vehicle quality and safety, low-carbon production, electric vehicles and alternative fuels, and air quality were determined as the seven very high priority areas.
[Fixed row]

(5.5.8) Provide details of your organization's investments in low-carbon R&D for transport-related activities over the last three years.

Row 1

(5.5.8.1) Activity

Select all that apply

☑ Heavy Duty Vehicles (HDV)

(5.5.8.2) Technology area

Select from:

☑ Other, please specify :Electrification

(5.5.8.3) Stage of development in the reporting year

Select from:

☑ Large scale commercial deployment

(5.5.8.4) Average % of total R&D investment over the last 3 years

14

(5.5.8.5) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

0

(5.5.8.6) Average % of total R&D investment planned over the next 5 years

15

(5.5.8.7) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

With a vision to transition the majority of our sales, from passenger cars to heavy commercial vehicles, to zero-emission by 2040, we are actively developing projects such as electric vehicles and internal combustion hydrogen engines. In 2023, we unveiled our latest truck series, F-LINE, distinguished by its connected vehicle technologies, advanced safety features, and contemporary design. Concurrently, we are on track to debuting our first fully electric truck, the E-Truck, on the roads by 2025. Embracing both electrification and hydrogen technology, we are advancing toward our goal of zero-emission transportation. To spearhead future mobility solutions, we are actively involved in the Zero Emission Transportation Ecosystem project, funded by the European Union's Horizon Europe, aimed at developing the pioneering fuel cell electric (FCEV) F-MAX powered by hydrogen. In line with our zero-emission targets, we plan to commence production of our first 100% electric truck, the E-Truck, in 2025. In addition to electrification, we also continue to explore hydrogen technologies. Ford Trucks, Ford Otosan's global heavy commercial brand, is accelerating its work within the scope of the EU funded next-generation zero-emission electric trucks and efficient and low-cost logistics (NextETRUCK). With the NextETRUCK project, executed by Ford Trucks and launched in 2022, we are focusing on creating an electric truck with reduced weight, advanced thermal management and Acoustic Vehicle Alert System (AVAS) integration. The NextETRUCK project also involves major changes such as updating EPE parts, building an innovative thermal management system, redesigning the chassis, new brackets, software improvements and cabin modifications. We have accelerated our work on the electrification projects for our trucks. We are also working to increase energy and thermal efficiency by making the electric truck platform lighter. The projects generally involve engine improvement efforts for the transition to Euro 7, as well as fuel consumption and emission reduction initiatives. Ford Otosan conducts emission reduction concept development, R&D and engineering studies to ensure that its Ford Trucks vehicles comply with the draft Euro 7 regulation for passenger cars and vans/heavy-duty commercial vehicles and buses. The average investment rate for electrification over the last 3 years is 14%, while this rate is 15% over the next 5 years.
[Add row]

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

7.64

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

81.7

(5.9.3) Water-related OPEX (+/- % change)

46.6

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

18.3

(5.9.5) Please explain

Capex includes the investments in the water related expenditures like equipments and improvements in the treatment plants. Opex includes all the water related services purchased in 2023. We expect 18% increases in Opex expenditures in accordance with the increase of water services annually and we expect 83% decrease in Capex. We expect this decrease because Kocaeli's CAPEX will appear lower in 2024, as the investments will reflect ongoing projects that started in 2023.
[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	*Select all that apply* ☑ Carbon

[Fixed row]

(5.10.1) Provide details of your organization's internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:
☑ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply
☑ Setting and/or achieving of climate-related policies and targets

(5.10.1.3) Factors considered when determining the price

Select all that apply

☑ Alignment with the price of allowances under an Emissions Trading Scheme

☑ Cost of required measures to achieve climate-related targets

☑ Price with substantive impact on business decisions

(5.10.1.4) Calculation methodology and assumptions made in determining the price

As Ford Otosan, we began developing a tool/methodology for carbon pricing as a pilot project in 2023. In 2024, we plan to use this tool/methodology in our investment decisions to address our operational emissions related to Scope 1 and 2. Over time, we aim to expand its scope to include Scope 3 emissions as well. As part of the Corporate Risk Management System, we develop scenarios, including the carbon pricing scenario under 1.5C and tests to analyze the effects of exchange rate fluctuations, SCT, parts availability, fuel price spikes on the market and sales, changes in the Turkish economy, raw material availability and interest rates, evaluating and managing the financial and non-financial risks. Ford Otosan has worked with external consultants on the possible financial risks of enterprise carbon pricing risk in 2023. The lowest average carbon price risk for Ford Otosan's operating locations 11 /ton CO2 and the highest is 96,3 /ton CO2 for the year of 2025. Ford Otosan's MRV covered total Scope1 CO2-e emissions were 131,962 tons in 2023.

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3, other (upstream)

☑ Scope 3, other (downstream)

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Static

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

11

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

96.3

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☑ Operations

☑ Opportunity management

☑ Value chain engagement

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

☑ Yes, for some decision-making processes, please specify **:**Operations, Opportunity management, Value chain engagement

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

100

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☑ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

Turkey is in the process of establishing a carbon pricing mechanism, most likely an emissions trading scheme that we try to make the best estimation by applying an internal price on carbon before the establishment of this new system. Ford Otosan considers voluntary market average price as part of an internal goal to offset the Scope 2 emissions. The financial impact of this voluntary activity is low, it will not impact our business. We procure renewable energy directly to meet the energy efficiency and greenhouse gas emission reduction targets. Scope 1 and Scope 2 greenhouse gas emissions are calculated regularly, assured by an independent third party in accordance with ISO 14064-1 and disclosed to the public. Similarly, energy consumption data is reported by "renewable/ non-renewable" energy categories to meet the expectations of international sustainability indices. https://www.fordotosan.com.tr/en/sustainability/society-and-environment
[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Customers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Investors and shareholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Other value chain stakeholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

☑ Strategic status of suppliers

☑ Supplier performance improvement

(5.11.2.4) Please explain

In 2023, we conducted sustainability assessments for 238 suppliers, accounting for 88% of our suppliers based on payments made. Out of our 238 suppliers evaluated based on environmental, social, and governance criteria, 37 have been categorized as critical suppliers. As a result, 7 were found to be at good, 28 at acceptable, and 2 at moderate risk levels. These suppliers were advised about their development areas and the actions they are expected to take, which are monitored. We published Ford Otosan's 'Supplier Sustainability Manifesto' in 2023 and laying out a clear roadmap toward this goal, and also share it with all our suppliers. At the Supplier Sustainability Workshop we organized in November 2023, we set goals with our critical suppliers under the scope of Environmental, Social, Governance, and Supply Chain, covering all areas of sustainability, which are committed to being realized in 6 months, 1 year, and 2 years. These include items related to the environmental such as calculating and verifying carbon emission and publishing environmental and energy policies.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water

☑ Strategic status of suppliers

☑ Supplier performance improvement

(5.11.2.4) Please explain

As part of the Supplier Sustainability Assessment and Development Program, we provide information on our suppliers' water withdrawal and discharge quantities, targets, awareness of water stress, and policies. 12 of our suppliers respond to CDP programs, while 13 publish sustainability reports. Through the Environmental Data Monitoring Form, we collect water management data from suppliers, including the following: breakdowns of the amount of water drawn, discharge point breakdowns, reduction targets and amount of water consumed.
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Ford Otosan expects its Business Partners to make every effort to protect and preserve the environment. In this respect, Ford Otosan encourages its Business Partners to: - Comply with all applicable environmental laws and regulations including Ford Otosan's Environmental and Energy Policy. - Continuously improve their environmental performance and reduce their environmental impact to address climate change, water management, waste management and protection of biodiversity. - Have effective monitoring systems and procedures in place against industrial accidents and other emergency situations. - Encourage their Business Partners and third parties to improve their environmental performance. Ford Otosan Supply Chain Compliance Policy https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/ford-otosan-supply-chain-compliance-policy.pdf

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Ford Otosan expects its Business Partners to make every effort to protect and preserve the environment. In this respect, Ford Otosan encourages its Business Partners to: - Comply with all applicable environmental laws and regulations including Ford Otosan's Environmental and Energy Policy. - Continuously improve their environmental performance and reduce their environmental impact to address climate change, water management, waste management and protection of biodiversity. - Have effective monitoring systems and procedures in place against industrial accidents and other emergency situations. - Encourage their Business Partners and third parties to improve their environmental performance. Ford Otosan Supply Chain Compliance Policy https://www.fordotosan.com.tr/documents/Kurumsal_Politikalar/ford-otosan-supply-chain-compliance-policy.pdf [Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Compliance with an environmental certification, please specify :ISO 14001 Environmental Management System

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Certification

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 76-99%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:
☑ 76-99%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:
☑ 76-99%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:
☑ 76-99%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:
☑ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:
☑ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply
☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

We inquire whether Tier 1 suppliers have the ISO 14001 certificate, but we do not mandate it. All Q1 suppliers have the ISO 14001 certificate; however, the number of Q1 suppliers varies during the reporting year, so we cannot provide an exact number. The total number of suppliers (direct and indirect) is 2,399. However, we consider the 588 suppliers from whom we purchase vehicle parts as Tier 1. Of these 588 Tier 1 suppliers, 491 have the ISO 14001 certificate, while 97 do not. These 491 suppliers account for 94% of all payments made to suppliers. All of our 37 critical suppliers have the ISO 14001 certificate, accounting for 40% of all payments made to suppliers.

Water

(5.11.6.1) Environmental requirement

Select from:

☑ Setting and monitoring withdrawal reduction targets

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply
☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:
☑ 26-50%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:
☑ 26-50%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:
☑ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:
☑ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply
☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

As part of the Supplier Sustainability Assessment and Development Program, we collect information on our suppliers' water withdrawal and discharge quantities, targets, awareness of water stress, and policies.
[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to measure GHG emissions

☑ Support suppliers to set their own environmental commitments across their operations

Information collection

☑ Collect GHG emissions data at least annually from suppliers

☑ Collect targets information at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 26-50%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 26-50%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

We started to work toward our target of becoming carbon neutral across the entire supply chain in 2022. In the first stage, we conducted supplier sustainability assessments with pilot scale companies in 2022. In addition to expanding the question set in 2023, we organized awareness-raising activities such as Supplier Sustainability Conferences, online Sustainability training programs and Supplier Workshops. The process that began with awareness sessions continued with self-assessment and training at all suppliers and auditing of critical suppliers. The work carried out in 2023 included the creation of a Net Zero Roadmap for our suppliers who produce critical product groups and the updating of existing procedures.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**To calculate and report scope 1 and scope 2 emissions.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Total water withdrawal volumes reduction

(5.11.7.3) Type and details of engagement

Capacity building

☑ Support suppliers to set their own environmental commitments across their operations

Information collection

☑ Collect targets information at least annually from suppliers

☑ Collect water quality information at least annually from suppliers (e.g., discharge quality, pollution incidents, hazardous substances)

☑ Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 26-50%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

We delivered an online sustainability training to our suppliers through an independent audit firm, and then asked them to respond to our surveys containing both data and strategic approach questions on self-assessment, environment, energy, greenhouse gases, conflict minerals, labor, health, security and management systems. As

part of the Supplier Sustainability Assessment and Development Program, we also provide information on our suppliers' water withdrawal and discharge quantities, targets, awareness of water stress, and policies.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**To report water withdrawn

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

☑ Share information about your products and relevant certification schemes

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

The Voice of Customer Platform enables us to closely monitor customer journeys and receive more and instant feedback throughout the process. As a result, we receive customer insights and act accordingly, with full automation and integration 24/7 through a single central platform at every stage of all our dealers, services, contact center, web page and mobile application. We are capable of monitoring customer experience indicators such as Net Promoter Score (NPS), customer satisfaction (C-SAT) and customer effort (CES) end to end throughout all processes, including dealers, solution centers and service services, and continuously contribute to overall satisfaction and development within the organization. In critical situations, we inform the relevant units within the organization, assign development tasks and follow up and have the opportunity to complete the feedback loop. We completed the work on ML-driven analytical models on the platform in 2022 and made them available to all Ford Otosan and dealer employees in 2023.

(5.11.9.6) Effect of engagement and measures of success

Net Promoter Score (NPS) (%) - Passenger and Commercial Vehicles Türkiye 84% (20,700 customer responses) Sales 89.2% (3,132 customer responses) Service 78.9% (17,568 customer responses Net Promoter Score (NPS)* (%) - Heavy Commercial Vehicles Türkiye 78% (3.574 customer responses) Sales 88% (538 customer responses) Service 68% (3.036 customer responses)*

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify :Shareholders, investors and analysts, employees, customers, suppliers, dealers and business partners.

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information about your products and relevant certification schemes

Other

☑ Other, please specify :Conducting Materiality Analysis

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

We carry out joint activities and engage in partnerships with key stakeholder groups, including investors, employees, suppliers, dealers, public institutions, NGOs and international organizations to create value in social, environmental and industrial areas. In addition to collaborating with our stakeholders, we also involve our dealers and suppliers in the corporate social responsibility projects as part of our social investments. As a result of the materiality studies, we categorized our stakeholders into five groups and analyzed their priorities and expectations from Ford Otosan. At Ford Otosan, we recognize the importance of forging solid relationships with our stakeholders who are directly affected by our activities and contributing to their lives. Therefore, we effectively engage with our shareholders, investors and analysts, employees, customers, suppliers, dealers and business partners

(5.11.9.6) Effect of engagement and measures of success

We constantly engage with the stakeholders to raise awareness about responsible water consumption and to involve them in conserving and recycling water resources.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ Unknown

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Starting with the 2023 fiscal year, we introduce our Integrated Annual Report, a comprehensive undertaking aimed at better communicating Ford Otosan's value creation efforts from short-, medium-, and long-term perspectives. By combining financial, social, and environmental data, this holistic approach enables the Board of Directors to gain deeper insights into our activities, while facilitating collaborations. Moreover, it enhances transparency for our investors, strengthens relationships within our supply chain and fosters social engagement.

(5.11.9.6) Effect of engagement and measures of success

As of year-end, Ford Otosan became the fifth most valuable company on BIST with a market cap of USD 8.8 billion. This accomplishment was underpinned by our stock's impressive annual growth of 45%, outperforming the BIST-100 index by 13 points, while foreign investors accounted for 40% of the free float. Through our robust Investor Relations program, characterized by effective communication and a proactive approach, we engaged with over 350 investors and analysts online and inperson during local and international events, including 10 conferences and roadshows. During these interactions, we provided updates on our strategic, financial, operational, and sustainability performance. At Ford Otosan, we are dedicated to following the global standards in investor relations to consistently create higher value for our shareholders. We are listed in several national and international sustainability indices that allow our environmental, social and corporate governance efforts to be visible to existing and potential investors and stakeholders. With the sustainability work gaining momentum and thanks to our transparent and consistent reporting, we are also traded on the Borsa Istanbul Sustainability Index, Borsa Istanbul Sustainability 25 Index, Borsa Istanbul Corporate Governance Index, and FTSE4Good Emerging Markets Index.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify :NGOs, analysts, dealers and business partners

(5.11.9.2) Type and details of engagement

Other

☑ Other, please specify :Conducting Materiality Analysis

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ Unknown

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

We carry out joint activities and engage in partnerships with key stakeholder groups, including investors, employees, suppliers, dealers, public institutions, NGOs and international organizations to create value in social, environmental and industrial areas. In addition to collaborating with our stakeholders, we also involve our dealers and suppliers in the corporate social responsibility projects as part of our social investments. As a result of the materiality studies, we categorized our stakeholders into five groups and analyzed their priorities and expectations from Ford Otosan. At Ford Otosan, we recognize the importance of forging solid relationships with our stakeholders who are directly affected by our activities and contributing to their lives. Therefore, we effectively engage with our shareholders, investors and analysts, employees, customers, suppliers, dealers and business partners.

(5.11.9.6) Effect of engagement and measures of success

We set the targets we wanted to achieve in terms of climate change, waste and circular economy, water, diversity and inclusion, and community to lead the automotive industry and improve performance across the Ford Otosan ecosystem. In line with our slogan – "Future. Now" - we are moving forward with firm and confident steps together with our stakeholders to achieve these targets.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Educate and work with stakeholders on understanding and measuring exposure to environmental risks

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Regarding sustainability, in alignment with Ford Otosan's goals, we started awareness seminars with our dealers to ensure that our stakeholders comply with our sustainability targets in environmental, social and governance aspects. In the seminars attended by 350 dealer employees, we communicate our sustainability vision, goals and achievements to the dealers. To complete the sustainable value chain, we conveyed our expectations from our dealers to invest in renewable energy, sort their waste, and support the employment of disadvantaged groups. We strive to contribute to the sustainability-focused transformation of dealers, who are an integral part of our ecosystem, and to support them in this process. As we spearhead the electrification in the automotive industry toward electric vehicles, we also include our dealers in this transformation. We aim to start with raising awareness about sustainabilityfocused transformation among our dealers. Some of the activities we started in 2023 include the following: • We started the physical transformation process to reduce the carbon footprint of dealers. For efficient electricity use, we conduct feasibility studies on renewable energy applications such as solar panels and solar tubes at our dealers.

(5.11.9.6) Effect of engagement and measures of success

In 2023, 19 of our dealers completed their Solar Power Plant (SPP) installations. We have dealers who plan to complete their solar power investments in 2024, and we plan to carry out informative activities and pilot practices that will raise awareness in all dealers. In addition, the physical transformation at the facilities continues within the scope of the dealer investments. In the facilities, most of which have been completed, we achieved 20% less energy consumption with glass façade installations and 80% energy savings with the use of LED fixtures.
[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Ford Otosan adopted a calculation method based on "Greenhouse gas activity data multiplied by greenhouse gas emission or removal factors" as a methodology for determining the amount of greenhouse gases consisting of determined greenhouse gas sources. Ford Otosan has decided that operation control approach is the calculation methodology that will provide the most accurate, consistent and appropriate results in the current situation. With the energy management system planned to be implemented at the facility, it is aimed to obtain and monitor facility-specific data and to use more effective measurement and calculation methods in the calculation of greenhouse gases. Accordingly, the sources based on the calculation method are the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the AR5 2013 IPCC guidelines for KIPs.

Water

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

In the consolidation approach, the operational control method has been selected. This ensures that water data is collected from all locations where Ford Otosan has operational control. The operational control approach focuses on areas where the company has direct authority over operational decisions, enabling accurate and comprehensive reporting of water usage and management.

Plastics

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

In the consolidation approach, the operational control method has been selected. This ensures that data related to plastic usage is collected from all locations where Ford Otosan has operational control. The operational control

approach focuses on areas where the company has direct authority over operational decisions, enabling accurate and comprehensive reporting of plastic-related data.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

In the consolidation approach, the operational control method has been selected. This ensures that biodiversity-related data is collected from all locations where Ford Otosan has operational control. The operational control approach focuses on areas where the company has direct authority over operational decisions, enabling accurate and comprehensive reporting on biodiversity impacts and conservation efforts.
[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☑ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply ☑ No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

☑ ISO 14064-1

☑ The Greenhouse Gas Protocol: Scope 2 Guidance

☑ IPCC Guidelines for National Greenhouse Gas Inventories, 2006

☑ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

☑ Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

☑ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

☑ We are reporting a Scope 2, market-based figure

(7.3.3) Comment

As Ford Otosan, we report our Scope 2 emissions as both location-based and market-based. Both location-based and market-based emissions include the emissions from Craiova Plant.
[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☑ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2017

(7.5.2) Base year emissions (metric tons CO2e)

115705.28

(7.5.3) Methodological details

In previous years, our base year was 2009. However, following the SBTI target we established in 2021, we updated our base year to 2017 for the current reporting period. The base year emissions now include data from the Craiova Plant. In 2017, total Scope 1 emissions, including those from Craiova, were 115,705.28 tCO2e.

Scope 2 (location-based)

(7.5.1) Base year end

(7.5.2) Base year emissions (metric tons CO2e)

136282.91

(7.5.3) Methodological details

Previously, our base year was 2009. In accordance with the Science Based Targets initiative (SBTi) target established in 2021, we have revised our base year to 2017 for the current reporting period. This revision now includes emissions data from the Craiova Plant. Accordingly, in 2017, the total Scope 2 (location-based) emissions, including those from the Craiova Plant, were 136,282.91 tCO2e.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2017

(7.5.2) Base year emissions (metric tons CO2e)

131255

(7.5.3) Methodological details

The base year emissions have been revised to incorporate data from the Craiova Plant. In 2017, the total Scope 2 (market-based) emissions, including those from Craiova, were 131,255 tCO2e.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

6124173.02

(7.5.3) Methodological details

Previously, our base year was 2017. However, it has now been updated to 2021 to reflect the use of more accurate data for calculating Scope 3 emissions. The revised base year emissions also account for the inclusion of the Craiova Plant. For the base year 2021, Scope 3 Category 1 (Purchased Goods and Services) emissions totaled 6,124,173.02 tCO2e.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

(7.5.3) Methodological details

Previously, our base year was 2017. It has now been revised to 2021 to incorporate more accurate data for Scope 3 calculations. The updated base year emissions also include data from the Craiova Plant. In the revised base year of 2021, Scope 3 Category 2 (Capital Goods) emissions were 147,634.67 tCO2e.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

41503.4

(7.5.3) Methodological details

Previously, our base year was 2017. It has now been updated to 2021 to utilize more accurate data for Scope 3 calculations. The revised base year emissions also include data from the Craiova Plant. For the base year 2021, emissions from Scope 3 Category 3 (Fuel-and-Energy-Related Activities) were 41,503.40 tCO2e.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

169287.87

(7.5.3) Methodological details

Previously, our base year was 2017. It has now been updated to 2021 to incorporate more accurate data for Scope 3 calculations. The revised base year emissions also account for the inclusion of the Craiova Plant. For the base year 2021, emissions from Scope 3 Category 4 (Upstream Transportation and Distribution) totaled 169,287.87 tCO2e.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

2781.51

(7.5.3) Methodological details

Previously, our base year was 2017. It has been revised to 2021 to utilize more accurate data for Scope 3 calculations. The updated base year emissions now include data from the Craiova Plant. For the base year 2021, emissions from Scope 3 Category 5 (Waste Generated in Operations) totaled 2,781.51 tCO2e.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

190.64

(7.5.3) Methodological details

Previously, our base year was 2017. It has now been updated to 2021 to incorporate more accurate data for Scope 3 calculations. The revised base year emissions also account for the Craiova Plant. For the base year 2021, emissions from Scope 3 Category 6 (Business Travel) were 190.64 tCO2e.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

5073.44

(7.5.3) Methodological details

Previously, our base year was 2017. It has now been updated to 2021 to incorporate more precise data for Scope 3 calculations. The revised base year emissions also include data from the Craiova Plant. For the base year 2021, emissions from Scope 3 Category 7—Employee Commuting—totaled 5,073.44 tCO2e.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

In 2021, our company does not have data available for upstream leased assets.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

174862.73

(7.5.3) Methodological details

Previously, our base year was 2017. It has now been updated to 2021 to reflect more accurate data for Scope 3 calculations. The revised base year emissions also include data from the Craiova Plant. For the base year 2021, emissions from Scope 3 Category 9 (Downstream Transportation and Distribution) totaled 174,862.73 tCO2e.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

In 2021, our company does not have data for the processing of sold products. For the SBTi target-setting study, we treated produced engines as assembled cars. This approach has been reflected in our emissions calculations under Category 11: Use of Sold Products.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

82510248.15

(7.5.3) Methodological details

Previously, our base year was 2017. It has now been revised to 2021 to incorporate more accurate data for Scope 3 calculations. The updated base year emissions also account for the Craiova Plant. For the base year 2021, emissions from Scope 3 Category 11 (Use of Sold Products) totaled 82,510,248.15 tCO2e.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

(7.5.2) Base year emissions (metric tons CO2e)

471846.38

(7.5.3) Methodological details

Previously, our base year was 2017. It has now been revised to 2021 to incorporate more precise data for Scope 3 calculations. The revised base year emissions also include data from the Craiova Plant. For the base year 2021, emissions from Scope 3 Category 12 (End-of-Life Treatment of Sold Products) totaled 471,846.38 tCO2e.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

In 2021, our company does not have data for downstream leased assets. The base year emissions have been revised to include data from the Craiova Plant.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Emissions related to Ford Otosan's franchises have been calculated. Since these emissions account for less than the 0.5% threshold set for Scope 3 emissions, these emissions have been excluded in the inventory.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

15292.68

(7.5.3) Methodological details

Previously, the base year was 2017. It has now been updated to 2021 to incorporate more accurate data for Scope 3 calculations. According to the calculations, Scope 3 emissions from 'Investments' account for less than 0.5% of Ford Otosan's total emissions. The ownership stake of Ford Otosan (0.59%) is included in the calculation of Otokar's greenhouse gas emissions. For 2021, Otokar's emissions total 15,292.68 tCO2e. Consequently, Otokar's share of Ford Otosan's total emissions for 2021 is 0.02%.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Our company does not have data for other upstream emissions for the base year 2021.

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Our company does not have data for other downstream emissions for the base year 2021.
[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

131961.99

(7.6.3) Methodological details

Ford Otosan has adopted a methodology for calculating greenhouse gas emissions based on "greenhouse gas activity data multiplied by greenhouse gas emission or removal factors". This approach is used to determine the

total amount of greenhouse gases from identified sources. The calculations are conducted in accordance with the 2006 IPCC National Greenhouse Gas Inventories Guidelines and the 2013 IPCC Guidelines for National Greenhouse Gas Inventories (AR5). In the reporting year, Scope 1 direct emissions include sources such as natural gas consumption, fuel consumption from company vehicles, fugitive emissions from refrigerant gases, VOCs and so on.
[Fixed row]

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

214061.39

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

34899.61

(7.7.4) Methodological details

Ford Otosan has adopted a methodology for calculating greenhouse gas emissions based on "greenhouse gas activity data multiplied by greenhouse gas emission or removal factors". This approach is used to determine the total amount of greenhouse gases from identified sources. The calculations are conducted in accordance with the 2006 IPCC National Greenhouse Gas Inventories Guidelines and the 2013 IPCC Guidelines for National Greenhouse Gas Inventories (AR5). In the reporting year, Scope 2 emissions encompass the company's electricity and heat consumption.
[Fixed row]

(7.8) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

7504566.48

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

☑ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Ford Otosan has calculated emissions from purchased goods by modeling three vehicle classes: B460 (LCV), V362 & V363 (MCV), and F-Max (HCV). The material data for these vehicles was sourced as raw data through IMDS. Calculations are based on the number of vehicles verified by a third party. This data is refined for use in calculations, taking into account vehicle weights and interior components. Materials are categorized into five groups: metals, plastics, liquids, electronics, and others. The material information is cross-referenced with data in the SimaPRO software for analysis. Emissions from purchased services are calculated by matching purchased values with relevant emission factors from the USEEIO model. In 2023, emissions from purchased goods and services totaled 7,504,566.48 tCO2e. This represents a 10.79% increase from the previous year, attributed to the inclusion of the Craiova Plant and a rise in production volume.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

272066.87

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Capital goods calculations are made by matching the monetary values purchased with the relevant emission factors in the USEEIO model. Capital goods emissions were 272066.87 tCO2e in 2023. Compared to the previous year, the emissions from capital goods have increased by 22.20%. The increase in emissions is due to the inclusion of new capital goods in reported year.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

85492.18

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Fuel-and-energy-related activities emissions were 85,492.18 tCO2e in 2023. Compared to the previous year, the emissions from fuel-and-energy-related activities have increased by 48.93%. The increase in emissions is due to the inclusion of upstream electricity generation.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

236209.64

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Emissions from upstream transportation and distribution amounted to 236,209.64 tCO2e in 2023. This represents a 0.02% increase compared to the previous year, driven by higher production levels. Data on specific weight and

distance for this category were collected from each transportation supplier of Ford Otosan. Emission factors were obtained from the DEFRA emissions factors database. The calculation methodology adheres to the GHG Protocol Corporate Value Chain - Scope 3 Standard.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3393.31

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

In 2023, emissions from waste generated in operations totaled 3,393.31 tCO2e. This represents an 11.03% increase from the previous year, primarily due to higher production levels. The data encompasses hazardous and scrap wastes provided by Ford Otosan and reported to the Ministry for the reporting year. It includes both solid waste management, based on specific disposal methods, and wastewater treatment operations. Solid waste quantities by type are collected from waste management data sheets submitted to the Ministry, while wastewater volumes are recorded using meters at the Kocaeli and Eskişehir facilities. Emission factors are sourced from the DEFRA emissions factors database, and the calculation methodology follows the GHG Protocol Corporate Value Chain - Scope 3 Standard. The reported data reflects the total hazardous and scrap waste managed by Ford Otosan, with calculations based on DEFRA emission factors and specific disposal methods.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1873.31

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

In 2023, business travel emissions totaled 1,874.31 tCO2e, marking a 0.75% decrease from the previous year. This reduction is due to a decrease in business travel. Data on port-to-port flights and flight distances were obtained from Ford Otosan's travel agency. The flight distance data was multiplied by air travel emission factors, which are sourced from the DEFRA emissions factors database. The calculation methodology follows the GHG Protocol Corporate Value Chain - Scope 3 Standard.

Employee commuting

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

6714.91

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

In 2023, employee commuting emissions totaled 6,715.91 tCO2e, representing a 36.55% increase compared to the previous year. This rise is attributed to increased mileage from shuttle buses. The data covers emissions generated from the transportation of employees by daily shuttle buses. Distance traveled data was provided by the supplier and includes emissions from daily employee transport by shuttle buses on roadways. The employee commuting data is multiplied by air travel emission factors, sourced from the DEFRA emissions factors database. The calculation methodology follows the GHG Protocol Corporate Value Chain - Scope 3 Standard.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

In 2023, Ford Otosan had no leased assets in upstream activities. Emissions from warehouses used before selling products have been calculated and since this is below the established threshold of 0.5% for Scope 3 emissions, it has been excluded (%0.01).

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

240305.07

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

In 2023, downstream transportation and distribution emissions totaled 240,306.07 tCO2e, reflecting a 29.82% increase from the previous year. This rise is attributed to increased downstream transportation activities compared to the previous year. This category encompasses outbound transportation and distribution services purchased by Ford Otosan, which are excluded from this category under the GHG Protocol Scope 3 Standard and are already accounted for in upstream transportation and distribution emissions. For this category, specific data on weight and distance transported for Ford Otosan customers were obtained. Emission factors are sourced from the DEFRA emissions factors database. The calculation methodology follows the GHG Protocol Corporate Value Chain - Scope 3 Standard.

Processing of sold products

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

27539.93

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions from processing of sold products were calculated as 27539.93 tCO2e in 2023.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

99165957.96

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Methodology for direct use phase emissions, please specify **:**CO2 emissions per kilometer and annual mileage data for all F-MAX HCV vehicles are calculated using real-world data from ConnecTruck over a one-year period (2023). A product lifespan of 10 years is assumed for all vehicles.

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

In 2023, emissions from the use of sold products amounted to 99,165,957.96 tCO2e, marking a 19.16% increase from the previous year. This rise is attributed to an increase in the volume of sold products. For the calculation, it is assumed that, aside from F-MAX HCV vehicles, the lifespan of sold products is 15,000 km over 10 years. For Legacy HCV vehicles, CO2 emissions per kilometer were calculated using real-world ECUlib data from 50 vehicles (measured over a period of 2 weeks to 1 month for each vehicle) covering all CO2-relevant control models. Annual mileage for Legacy HCV vehicles was determined using service data for all HCV vehicles from 2015 onwards. The total CO2 emissions for the reporting year, including both gasoline and diesel vehicles, were calculated. CO2 emissions for HCV and LCV vehicles were estimated using approximate factors from the DEFRA 2022 database. Emission calculations for refrigerants assumed that refrigerant gas is refilled 1.5 times over the vehicle's lifetime, with 80% of the refill being R134A and 20% being 1234YF gas.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

590431

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

In 2023, emissions from the end-of-life treatment of sold products totaled 590,431.00 tCO2e, representing a 15.66% increase from the previous year. This rise in emissions is attributed to the increased volume of sold products. Consequently, there has been an increase in emissions associated with end-of-life treatment. For these calculations, the ADR (Assembly, Disposal, Recycling) information in the Greet program was used, with adjustments made based on four reference models. Since most of the vehicles we produce are exported, the energy data for recycling processes is determined according to the grid mix of the export countries.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Maritime emissions from Yeniköy Port (Turkey) to Ford Europe were calculated by Ford Europe, which holds the leasing contract. To avoid double counting in downstream leased assets' emissions, this portion is excluded from Ford Otosan's Scope 3 emissions.

Franchises

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Franchise-related emissions were calculated at 7,632.57 tCO2e, accounting for just 0.01% of the total emissions. Given that this value is below the 0.5% threshold, it has been regarded as insignificant and excluded.

Investments

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

27146.59

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Investment-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

In 2023, emissions from investments amounted to 27,146.59 tCO2e, representing a 34.96% increase from the previous year. This increase is due to the rise in production by Otokar. Ford Otosan's ownership rate of 0.59% is included in the calculation of Otokar's greenhouse gas emissions.

Other (upstream)

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

90.62

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

"Other (upstream) emissions amounted to 90.62 tCO2e in 2023, including emissions from water supply. This represents an 84.44% increase compared to the previous year. The rise is due to an increase in water supply during the reporting year.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

In 2023, Ford Otosan has no other (downstream) emissions beyond the categories listed above.
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☑ Reasonable assurance

(7.9.1.4) Attach the statement

FORD OTOMOTİV 2023 GHG Verification Statement.pdf

(7.9.1.5) Page/section reference

Ford Otomotiv Sanayi A.Ş. 2023 GHG Verification Statement (page no.4)

(7.9.1.6) Relevant standard

Select from:

☑ ISO14064-1

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☑ Reasonable assurance

(7.9.2.5) Attach the statement

FORD OTOMOTİV 2023 GHG Verification Statement.pdf

(7.9.2.6) Page/ section reference

Ford Otomotiv Sanayi A.Ş. 2023 GHG Verification Statement (page no.4)

(7.9.2.7) Relevant standard

Select from:

☑ ISO14064-1

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Investments and services

☑ Scope 3: Purchased goods

☑ Scope 3: Capital goods

☑ Scope 3: Waste generated in operations

☑ Scope 3: Business travel

☑ Scope 3: End-of-life treatment of sold products

☑ Scope 3: Employee commuting

☑ Scope 3: Upstream transportation and distribution

☑ Scope 3: Use of sold products

☑ Scope 3: Downstream transportation and distribution

☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

FORD OTOMOTİV 2023 GHG Verification Statement.pdf

(7.9.3.6) Page/section reference

Ford Otomotiv Sanayi A.Ş. 2023 GHG Verification Statement (page no.4)

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-1

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☑ Increased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

26174.96

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

(7.10.1.4) Please explain calculation

A total of 455,287.42 MWh of renewable energy was purchased from Turkey and Romania, indicating that green electricity was utilized. This led to a reduction of 197,184.98 tons of CO2e. The percentage decrease in emissions is calculated as follows: (26,174.96 / 151,329.84) x 100 17.30%.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

6705.85

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

4.02

(7.10.1.4) Please explain calculation

Due to our climate change mitigation activities, a total of 6,705.85 tCO2e emission reductions were achieved in 2023. The percentage decrease in emissions is calculated as follows: (6,705.85 / 166,861.59) x 100 4.02%.

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

In 2023, there were no significant changes in emissions resulting from divestment.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

In 2023, there were no significant changes in emissions resulting from acquisitions.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

In 2023, mergers did not cause any significant changes in emissions.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

48412.57

(7.10.1.2) Direction of change in emissions

Select from:

☑ Increased

(7.10.1.3) Emissions value (percentage)

31.99

(7.10.1.4) Please explain calculation

Ford Otosan increased production in 2023, and nearly all of the increase in GHG emissions can be attributed to this rise in production. The percentage decrease in emissions is calculated as follows: (48,412.57 / 151,329.84) x 100 31.99% This increase is due to the growth in production activities.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

In 2023, changes in methodology did not lead to any significant changes in emissions.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

In 2023, no significant changes in emissions were observed as a result of changes in the boundary.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

In 2023, no significant changes in emissions were observed as a result of changes in physical operating conditions.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

The reasons for almost all the changes are detailed in other sections. Therefore, we report unidentified reasons as zero.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

The reasons for almost all the changes are elucidated in other sections. Consequently, we report any other reasons as zero.
[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Market-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:
☑ Yes

(7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

(7.12.1.1) CO2 emissions from biogenic carbon (metric tons CO2)

2485339.77

(7.12.1.2) Comment

Total biogenic emissions for 2023 amount to 2,485,339.77 tCO2e. Emissions from domestic and industrial waste, both of which are anthropogenic biogenic emissions, were calculated to be 264.23 tCO2 in 2023. Ford Otosan's total biogenic emissions from biofuel used in vehicles are 2,485,075.54 tCO2 in 2023. These emissions also include biogenic emissions from AdBlue and biofuel used in vehicles.
[Fixed row]

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:
☑ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:
☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

124527.23

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:
☑ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

130.98

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:
☑ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

495.91

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:
☑ HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Fifth Assessment Report (AR5 – 100 year)

[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Romania	*23779.16*	*64769.96*	*34899.61*
Turkey	*108182.83*	*149291.43*	*0*

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☑ By facility

☑ By activity

(7.17.2) Break down your total gross global Scope 1 emissions by business facility.

Row 1

(7.17.2.1) Facility

Kocaeli Plant (GölcükYeniköy)

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

82320.01

(7.17.2.3) Latitude

40.717352

(7.17.2.4) Longitude

29.851182

Row 2

(7.17.2.1) Facility

Eskişehir (old name Inönü) Plant

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

22647.81

(7.17.2.3) Latitude

39.842081

(7.17.2.4) Longitude

30.121566

Row 3

(7.17.2.1) Facility

Sancaktepe

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

3215

(7.17.2.3) Latitude

40.974679

(7.17.2.4) Longitude

29.23206

Row 4

(7.17.2.1) Facility

Craiova Plant (Romania)

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

23779.16

(7.17.2.3) Latitude

44.29422

(7.17.2.4) Longitude

23.84549

[Add row]

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

Row 1

(7.17.3.1) Activity

Stationary Combustion

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

94708.64

Row 2

(7.17.3.1) Activity

Mobile Combustion

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

26528.92

Row 3

(7.17.3.1) Activity

Process Oils

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

152.67

Row 4

(7.17.3.1) Activity

VOCs

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

3747.52

Row 5

(7.17.3.1) Activity

Welding Process & Fire Extinguishers

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

16.36

Row 6

(7.17.3.1) Activity

Mobile Air Conditioning

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

5215.94

Row 7

(7.17.3.1) Activity

Stationary Refrigerants

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

1591.93
[Add row]

(7.19) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

Transport OEM activities

(7.19.1) Gross Scope 1 emissions, metric tons CO2e

131961.99

(7.19.3) Comment

Ford Otosan operates exclusively in the Transport OEM sector. Transport OEM activities were calculated at 131961.99 tCO2 in 2023, representing a 14.83% increase compared to the previous year. This increase is due to the rise in production.
[Fixed row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply
☑ By facility
☑ By activity

(7.20.2) Break down your total gross global Scope 2 emissions by business facility.

	Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	*Kocaeli Plant (GölcükYeniköy)*	*123617.87*	*0*
Row 2	*Eskişehir (Old name İnönü) Plant*	*23180.29*	*0*
Row 3	*Sancaktepe*	*2493.27*	*0*
Row 4	*Craiova (Romania) Plant*	*64769.96*	*34899.61*

[Add row]

(7.20.3) Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	*Electricity*	*179161.79*	*0*
Row 2	*Steam*	*34899.61*	*34899.61*

[Add row]

(7.21) Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

Transport OEM activities

(7.21.1) Scope 2, location-based, metric tons CO2e

214061.4

(7.21.2) Scope 2, market-based (if applicable), metric tons CO2e

34899.61

(7.21.3) Comment

Since May 2020, our facilities in Gölcük, Yeniköy, and Eskişehir have been certified to source all their electricity from 100% renewable sources. Additionally, starting in September 2021, our Sancaktepe location has also been sourcing its electricity from 100% renewable sources, verified by I-REC certificates. Consequently, the market-based Scope 2 emissions for our facilities in Turkey have been calculated as zero. At the Craiova Plant, electricity consumption in 2022 was fully covered by renewable energy certified by GO. In 2023, a total of 1,639,034.60 GJ

of renewable electricity was purchased, resulting in a reduction of 179,161.79 tons of CO2e. For the year 2023, location-based Scope 2 emissions were calculated to be 214,061.40 tCO2e, while market-based emissions were 34,899.61 tCO2e. In 2022, 1,421,463.98 GJ of renewable electricity was purchased, leading to a reduction of 171,010.02 tons of CO2e. Compared to the baseline year of 2021, location-based emissions increased by 3.22%, while market-based emissions decreased by 4.14%. As of 2023, we have documented with internationally recognized certificates that our Gölcük, Yeniköy, Eskişehir, Craiova Plants, and Sancaktepe office obtain all their electricity from 100% renewable sources, with I-REC and GO certificates available.
[Fixed row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

131961.99

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

214061.4

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

34899.61

(7.22.4) Please explain

Ford Otosan is a single legal entity, and the total Scope 1 emissions for its facilities amount to 131,961.99 tCO2e. Scope 2 location-based emissions are 214,061.40 tCO2e, and Scope 2 market-based emissions are 34,899.61 tCO2e in 2023.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

There are no other unconsolidated entities within Ford Otosan in 2023.
[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ No

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:
☑ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ No
Consumption of purchased or acquired steam	*Select from:* ☑ Yes
Consumption of purchased or acquired cooling	*Select from:* ☑ No
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ No

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

(7.30.1.3) MWh from non-renewable sources

564649.17

(7.30.1.4) Total (renewable and non-renewable) MWh

564649.17

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

455287.39

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

455287.39

Consumption of purchased or acquired steam

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

84968.33

(7.30.1.4) Total (renewable and non-renewable) MWh

84968.33

Total energy consumption

(7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

455287.39

(7.30.1.3) MWh from non-renewable sources

648764.51

(7.30.1.4) Total (renewable and non-renewable) MWh

1104051.9
[Fixed row]

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	*Select from:* ☑ No
Consumption of fuel for the generation of heat	*Select from:* ☑ Yes
Consumption of fuel for the generation of steam	*Select from:* ☑ Yes
Consumption of fuel for the generation of cooling	*Select from:* ☑ No
Consumption of fuel for co-generation or tri-generation	*Select from:* ☑ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Sustainable biomass is not used in our company's operational activities.

Other biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Our company does not use any other biomass in its operational activities.

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Our company does not use any other renewable fuels in its operational activities.

Coal

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Our company does not use any coals in its operational activities.

Oil

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

105983.46

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Diesel oil and gasoline are used in operations for generating electricity with generators and for fueling company vehicles, including cars. Gasoline is specifically used in company cars, while fuel oil is employed for both electricity generation and heat production. In 2023, the total energy consumption from diesel oil and gasoline amounted to 105,983.46 MWh. Compared to the previous year, oil-related energy consumption increased by 18.96%. This is due to the increase in production in 2023.

Gas

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

457886.73

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

In 2023, natural gas was utilized in our operations primarily for generating electricity, producing steam, and providing heat for various processes and heating needs. The total energy consumption from natural gas in that year amounted to 457,886.73 MWh. Compared to the previous year, gas-related energy consumption increased by 14.49%. This is due to the increase in production in 2023.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

778.98

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

(7.30.7.8) Comment

Our company used non-renewable fuels, including methanol and propane in 2023. The combined energy consumption from these fuels was 778.98 MWh. Compared to the previous year, energy consumption from other non-renewable fuels increased by 43.16%. This is due to the increase in production in 2023.

Total fuel

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

564649.17

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Ford Otosan's total fuel consumption for 2023 amounted to 564,649.17 MWh. This reflects a 15.16% increase in fuel-related energy consumption compared to the previous year, primarily due to an increase in production. Total energy consumption increased by 15.34% compared to the previous year. This is due to the increase in production in 2023.
[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:
☑ Romania

(7.30.14.2) Sourcing method

Select from:

☑ Default delivered electricity from the grid (e.g. standard product offering by an energy supplier) from a grid that is 95% or more low-carbon and where there is no mechanism for specifically allocating low-carbon electricity

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Solar

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

110583.1

(7.30.14.6) Tracking instrument used

Select from:

☑ GO

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Romania

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.14.10) Comment

In 2023, a total of 110,583.10 MWh of renewable energy was purchased for Romania. We received a GO certificate confirming that all electricity used at the Craiova Plant is sourced from 100% renewable resources. Craiova is obtaining GO certificates to reduce emissions from electricity consumption. The total location-based Scope 2 emissions for the Craiova Plant were calculated at 64,769.96 tCO2e, while market-based emissions were calculated at 34,899.61 tCO2e. In 2023, all electricity consumption was covered by renewable energy sources. Therefore, our market-based Scope 2 emissions were calculated to be 0 in 2023.

Row 2

(7.30.14.1) Country/area

Select from:

☑ Turkey

(7.30.14.2) Sourcing method

Select from:

☑ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Hydropower (capacity unknown)

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

344704.3

(7.30.14.6) Tracking instrument used

Select from:

☑ I-REC

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Turkey

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

1992

(7.30.14.10) Comment

We directly procure renewable energy to meet our energy efficiency and greenhouse gas emission reduction targets. We hold internationally recognized certifications confirming that, as of May 2020, our Gölcük, Yeniköy,

and Eskişehir locations are compliant. Since September 2021, the electricity supply for our Sancaktepe location has been sourced from 100% renewable energy with I-REC certificates. In 2023, we purchased 1,240,935.45 GJ of renewable electricity. For that year, the total location-based Scope 2 emissions for our plants in Turkey were calculated at 149,291.43 tCO2e, while market-based emissions were assessed at 0 tCO2e.
[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Romania

(7.30.16.1) Consumption of purchased electricity (MWh)

110583.1

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

84968.33

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

195551.43

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

344704.3

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

(7.35) Provide any efficiency metrics that are appropriate for your organization's transport products and/or services.

Row 1

(7.35.1) Activity

Select from:
☑ Light Duty Vehicles (LDV)

(7.35.2) Metric figure

0.98

(7.35.3) Metric numerator

Select from:
☑ MWh

(7.35.4) Metric denominator

Select from:
☑ Production: Vehicle

(7.35.5) Metric numerator: Unit total

370521.87

(7.35.6) Metric denominator: Unit total

379687

(7.35.7) % change from previous year

9.19

(7.35.8) Please explain

In 2023, the energy consumption per vehicle for the Kocaeli Plant (Gölcük Yeniköy) is 0.98 MWh, up from 0.89 MWh per vehicle in the previous year. The metric reflects the energy consumption of the facilities, which increased by 9.19% compared to the prior year.

Row 2

(7.35.1) Activity

Select from:

☑ Heavy Duty Vehicles (HDV)

(7.35.2) Metric figure

4.45

(7.35.3) Metric numerator

Select from:

☑ MWh

(7.35.4) Metric denominator

Select from:

☑ Production: Vehicle

(7.35.5) Metric numerator: Unit total

84903.82

(7.35.6) Metric denominator: Unit total

19082

(7.35.7) % change from previous year

3.41

(7.35.8) Please explain

In 2023, the energy consumption per vehicle for the Eskişehir Plant is 4.45 MWh, compared to 4.30 MWh per vehicle in the previous year. This figure reflects the facility's energy consumption, resulting in a 3.41% increase for the reporting year.

Row 3

(7.35.1) Activity

Select from:

☑ Light Duty Vehicles (LDV)

(7.35.2) Metric figure

0.95

(7.35.3) Metric numerator

Select from:

☑ MWh

(7.35.4) Metric denominator

Select from:

☑ Production: Vehicle

(7.35.5) Metric numerator: Unit total

182374.47

(7.35.6) Metric denominator: Unit total

191108

(7.35.7) % change from previous year

4.03

(7.35.8) Please explain

In 2023, the Craiova Plant's energy consumption per vehicle is 0.95 MWh, an increase from 0.92 MWh per vehicle in the previous year. This metric measures the energy used by the facilities and shows a total increase of 4.03% compared to last year.
[Add row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.000012

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

166861.59

(7.45.3) Metric denominator

Select from:

☑ unit total revenue

(7.45.4) Metric denominator: Unit total

13992213960

(7.45.5) Scope 2 figure used

Select from:
☑ Market-based

(7.45.6) % change from previous year

14.82

(7.45.7) Direction of change

Select from:
☑ Decreased

(7.45.8) Reasons for change

Select all that apply
☑ Change in renewable energy consumption
☑ Other emissions reduction activities

(7.45.9) Please explain

In the reporting year, the intensity figure decreased by approximately 14.82% due to an increase in total revenue per unit and a greater use of renewable energy in 2023.

Row 2

(7.45.1) Intensity figure

0.283

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

166861.59

(7.45.3) Metric denominator

Select from:
☑ vehicle produced

(7.45.4) Metric denominator: Unit total

589878

(7.45.5) Scope 2 figure used

Select from:
☑ Market-based

(7.45.6) % change from previous year

(7.45.7) Direction of change

Select from:

☑ Increased

(7.45.8) Reasons for change

Select all that apply

☑ Acquisitions

(7.45.9) Please explain

In 2022, the intensity figure was 0.266 tCO2e per vehicle produced. In 2023, the calculated emissions per vehicle produced rose to 0.283 tCO2e, representing an increase of 6.34% compared to the previous year. This increase can be attributed to the acquisition of the Craiova Plant, which has led to a rise in our gross global combined Scope 1 and 2 emissions.
[Add row]

(7.50) Provide primary intensity metrics that are appropriate to your indirect emissions in Scope 3 Category 11: Use of sold products from transport.

Row 1

(7.50.1) Activity

Select from:

☑ Light Duty Vehicles (LDV)

(7.50.2) Emissions intensity figure

0.00032

(7.50.3) Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e

76805585.72

(7.50.4) Metric denominator

Select from:

☑ t.km

(7.50.5) Metric denominator: Unit total

236879925000

(7.50.6) % change from previous year

(7.50.7) Vehicle unit sales in reporting year

570795

(7.50.8) Vehicle lifetime in years

10

(7.50.9) Annual distance in km or miles (unit specified by column 4)

41500

(7.50.10) Load factor

1

(7.50.11) Please explain the changes, and relevant standards/methodologies used

The assumption for light commercial vehicles (LCVs) and medium commercial vehicles (MCVs) is a product lifespan of 10 years and an annual mileage of approximately 41,500 km. To reflect the impact of methane (CH4) and nitrous oxide (N2O) emissions, all calculated Scope 3 in-use CO2 emissions are increased by 1%. CO2 emissions for LCVs are estimated using approximate factors from the DEFRA tool. The change from the previous year indicates variations in vehicle unit sales. It appears that emissions have increased due to methodological differences. It has increased by 15.8% due to the rise in sales compared to the previous year.

Row 2

(7.50.1) Activity

Select from:
☑ Heavy Duty Vehicles (HDV)

(7.50.2) Emissions intensity figure

0.001

(7.50.3) Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e

18072811.83

(7.50.4) Metric denominator

Select from:
☑ t.km

(7.50.5) Metric denominator: Unit total

17460945000

(7.50.6) % change from previous year

26.07

(7.50.7) Vehicle unit sales in reporting year

19083

(7.50.8) Vehicle lifetime in years

10

(7.50.9) Annual distance in km or miles (unit specified by column 4)

91500

(7.50.10) Load factor

1

(7.50.11) Please explain the changes, and relevant standards/methodologies used

CO2 emissions per km and annual mileage information are calculated for all F-MAX HCV vehicles using ConnecTruck real-world data during 1 year period. For Legacy HCV vehicles, CO2 emissions per km information are calculated using real-world ECUlib data of 50 vehicles (duration of 2 weeks - 1 month period for each vehicle) belonging to all CO2 relevant control models. Annual mileage of Legacy HCV vehicles are calculated using service infomation data for all HCV vehicles from 2015 onwards. A product lifetime of 10 years are assumed for all vehicles. All calculated Scope3 product in-use CO2 emissions are increased by 1% to reflect the effect of CH4 and N2O emissions. CO2 emissions of HCV are calculated using approximate factors from DEFRA tool. Change from previous year represents the change of vehicle unit sales. Emissions seem to have increased due to the methodological difference. It has decreased by 26.07% compared to the previous year.
[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:
☑ Waste

(7.52.2) Metric value

159454195

(7.52.3) Metric numerator

All values are provided in kilograms (kg).

(7.52.4) Metric denominator (intensity metric only)

(7.52.5) % change from previous year

11.03

(7.52.6) Direction of change

Select from:

☑ Increased

(7.52.7) Please explain

Regarding waste and the circular economy, we are committed to fully implementing a zero-waste policy in our regular storage areas by 2030. Accordingly, Ford Otosan will completely eliminate single-use plastics from personal consumption and increase the proportion of recycled and renewable plastics in the plastic parts of the vehicles produced at our plants to 30%. The total waste amount was 143,619,181.80 kg in 2022, increasing to 159,454,195 kg in 2023. This represents an increase of 11.03%, primarily due to increased operational activities compared to the previous year.
[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☑ Absolute target

☑ Intensity target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

(7.53.1.6) Target coverage

Select from:

☑ Country/area/region

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

12/30/2017

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

79349

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

121890

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

201239.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

68.58

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

92.87

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

81.49

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

108182.83

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

108182.830

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

Ford Otomotiv Sanayi A.Ş. is a publicly traded company, where Ford Motor Company (41%) and Koç Holding A.Ş. (41%) have equal shares. All our emissions reduction targets are compatible with Ford Motor Company's targets which are considered as a science based target by Science Based Targets Initiative. As a part of our Carbon Transition Program, we set target to become carbon neutral by 2030 for the manufacturing sites and R&D center in Turkey considering scope 1 and scope 2 (market based) emissions. This target is related to Eskişehir, GölcükYeniköy Plants and Sancaktepe R&D center that are located in Turkey. These sites accounted for 81.49% of our company's total Scope 12 emissions in the base year of 2017. We plan to achieve this goal partly by improving the environmental performance of our manufacturing and office facilities in areas related to climate change, water, and waste. Ford Otosan has increased its use of renewable electricity from 0 percent to 100 percent since 2022. By using renewable electricity, we reduced our market based scope 2 carbon footprint by 100% in Turkiye. In 2022, Ford Otosan committed to set long-term science-based targets to reach net-zero value chain GHG emissions by no later than 2050 in line with the SBTi Net-Zero Standard. Currently our teams are working on setting net-zero targets and planning to submit it to SBTi.

(7.53.1.83) Target objective

Ford Otosan aims to achieve a 100% reduction in Scope 1 and 2 emissions for its plants in Turkey by 2030. The primary reason for this reduction is that the electricity consumption of the Turkey plants has been certified as 100% I-REC, resulting in market-based emissions being reduced to zero.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Ford Otosan is planning to improve the production processes, introduce more energy efficiency measures and use renewables. The work has been done to set a science based target and more concrete targets such as electrification of fossil fuelled systems, electrification of company car fleet and investment on own renewable energy systems until 2030. Reducing Scope 2 emissions by purchasing electricity from 100% renewable energy was a very important greenhouse gas reduction project for the reporting year of 2023. In 2023, it successfully reduced emissions by 46.24% compared to the 2017 base year.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ Yes

Row 3

(7.53.1.1) Target reference number

Select from:

☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/31/2021

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

12/30/2017

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

115705.0

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

131255.0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

246960.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100.0

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100.0

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100.0

(7.53.1.54) End date of target

12/30/2034

(7.53.1.55) Targeted reduction from base year (%)

86.6

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

33092.640

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

131961.99

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

34899.61

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

37.45

(7.53.1.80) Target status in reporting year

Select from:

☑ Revised

(7.53.1.81) Explain the reasons for the revision, replacement, or retirement of the target

A target of a 76% reduction in Scope 1 and 2 emissions by 2034 compared to the 2017 baseline has been updated to 86.6% in accordance with the revised Land Transport Guidance from the SBTi. Ford Otosan has prepared its reduction projection accordingly and submitted an application to the SBTi.

(7.53.1.82) Explain target coverage and identify any exclusions

Ford Otomotiv Sanayi A.Ş. is a publicly traded company, with equal shares held by Ford Motor Company (41%) and Koç Holding A.Ş. (41%). The company's objectives for reducing emissions align with those set by Ford Motor Company, which have been validated as science-based by the Science Based Targets Initiative (SBTi). Ford Motor Company is committed to an 86.6% reduction in absolute Scope 1 and Scope 2 greenhouse gas emissions by 2035, using 2017 as the baseline year. These goals are in harmony with those of Ford Otosan, and we recognize them as scientifically grounded based on the results from the SBTi online tool. As part of our Carbon Transition Program, Ford Otosan has revised and increased the ambition of its targets, setting a near-term science-based goal to reduce absolute emissions from the combined Scope 1 and 2 (market-based) by 86.6% by 2030, using 2017 as the baseline year. Additionally, Ford Otosan submitted this target to the SBTi in January 2023. This target aligns with our ambition to limit global warming to below 1.5 degrees and is currently under review by the Science Based Targets Initiative. We plan to achieve this goal partly by improving the environmental performance of our manufacturing and office facilities in areas related to climate change, water management, and waste reduction. Since 2021, Ford Otosan has increased its use of renewable electricity from 86% to 100%. By utilizing renewable electricity, we have reduced our Scope 2 carbon footprint by over 80% of our total market-based Scope 2 emissions, with the remaining emissions resulting from purchased heat and steam. In 2022, Ford Otosan committed to establishing long-term science-based targets to achieve net-zero value chain GHG emissions by no later than 2050, in line with the SBTi Net-Zero Standard. Our teams are currently working on setting net-zero targets and plan to submit them to the SBTi.

(7.53.1.83) Target objective

Ford Otosan aims to achieve an 86.6% reduction in Scope 1 and 2 emissions organization-wide by 2034.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Ford Otosan is planning to improve its production processes, introduce more energy efficiency measures, and use renewable energy sources. Work has been done to set a science-based target, as well as more concrete goals, such as the electrification of fossil-fueled systems, the electrification of the company car fleet, and investment in its own renewable energy systems by 2034. Reducing Scope 2 emissions by purchasing electricity from 100% renewable sources was a crucial greenhouse gas reduction project for the reporting year of 2023. In 2023, a reduction of 37.45% has been achieved compared to the base year of 2017.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ Yes

Row 4

(7.53.1.1) Target reference number

Select from:

☑ Abs 3

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/31/2022

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 11 – Use of sold products

(7.53.1.11) End date of base year

12/30/2021

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

82510248.15

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

82510248.150

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

82510248.150

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

90.35

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

90.35

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

90.35

(7.53.1.54) End date of target

12/30/2034

(7.53.1.55) Targeted reduction from base year (%)

58.89

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

33919963.014

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

99165957.96

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

99165957.960

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

99165957.960

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

-34.28

(7.53.1.80) Target status in reporting year

Select from:

☑ New

(7.53.1.82) Explain target coverage and identify any exclusions

Ford Otomotiv Sanayi A.Ş. is a publicly traded company, with Ford Motor Company (41%) and Koç Holding A.Ş. (41%) holding equal shares. All of our emissions reduction targets align with those of Ford Motor Company, which have also been approved as science-based by the Science Based Targets Initiative. Ford Motor Company commits to reduce scope 3 use of sold products GHG emissions 50% per vehicle kilometer by 2035 from a 2021 base year. As part of our carbon transition program, Ford Otosan has revised and increased the ambition of its targets, establishing its own near-term science-based goal, using the latest version of SBTi guidelines, to reduce Scope 3 greenhouse gas emissions from the use of sold products by 58.89% by 2034, relative to the 2021 baseline year. This scope includes all HCV, MCV, and LCV vehicles produced in 2021. For HCV, we utilized only connected data and service records collected from customers, allowing us to achieve the most accurate calculation results. In 2022, Ford Otosan committed to establishing long-term science-based targets to reach net-zero value chain GHG emissions by no later than 2050, in line with the SBTi Net-Zero Standard.

(7.53.1.83) Target objective

Ford Otosan aims to achieve an 58.89% reduction in Scope 3 emissions organization-wide by 2034.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

As Ford Otosan, we commit to reducing Scope 3 emissions from the use of sold products in line with our goal to expand our product range with zero-emission and low-emission vehicles. We continue our efforts to develop fully electric models of the Ford Transit, along with its hybrid version.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:
☑ Yes
[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:
☑ Int 1

(7.53.2.2) Is this a science-based target?

Select from:
☑ No, but we are reporting another target that is science-based

(7.53.2.5) Date target was set

12/31/2008

(7.53.2.6) Target coverage

Select from:
☑ Site/facility

(7.53.2.7) Greenhouse gases covered by target

Select all that apply
☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Nitrogen trifluoride (NF3)
☑ Sulphur hexafluoride (SF6)

(7.53.2.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.2.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.2.11) Intensity metric

Select from:

☑ Metric tons CO2e per vehicle produced

(7.53.2.12) End date of base year

12/30/2009

(7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.34

(7.53.2.14) Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.49

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.8300000000

(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

87.54

(7.53.2.35) % of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

88.51

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

87.75

(7.53.2.55) End date of target

12/30/2030

(7.53.2.56) Targeted reduction from base year (%)

100

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

0.0000000000

(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions

8.5

(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.2

(7.53.2.61) Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.2000000000

(7.53.2.81) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.2.82) % of target achieved relative to base year

75.90

(7.53.2.83) Target status in reporting year

Select from:

☑ Underway

(7.53.2.85) Explain target coverage and identify any exclusions

In 2023, the intensity figure, which represents the ratio of Scope 1 and 2 emissions per unit of production, was calculated to be 0.2, and the target for the reporting year was achieved at the Kocaeli Plant. This represents a decrease of 75.9% compared to 2009.

(7.53.2.86) Target objective

It is aimed to achieve a 100% emission reduction in Scope 1 and 2 emissions in 2030 compared to 2009 for Kocaeli Plant. It appears that the target is being approached by achieving a 75.9% reduction in 2023.

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

Scope 2 emissions from the entire electricity consumption of the Kocaeli Plant reached zero emissions in 2023, thanks to I-REC certification. Efforts to reduce Scope 1 emissions are ongoing.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:
☑ Yes

Row 2

(7.53.2.1) Target reference number

Select from:
☑ Int 2

(7.53.2.2) Is this a science-based target?

Select from:
☑ No, but we are reporting another target that is science-based

(7.53.2.5) Date target was set

12/31/2008

(7.53.2.6) Target coverage

Select from:
☑ Site/facility

(7.53.2.7) Greenhouse gases covered by target

Select all that apply
☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Nitrogen trifluoride (NF3)
☑ Sulphur hexafluoride (SF6)

(7.53.2.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.2.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.2.11) Intensity metric

Select from:

☑ Metric tons CO2e per vehicle produced

(7.53.2.12) End date of base year

12/30/2009

(7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

3.75

(7.53.2.14) Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

5.42

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

9.1700000000

(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

11.04

(7.53.2.35) % of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

11.06

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

11.04

(7.53.2.55) End date of target

12/30/2030

(7.53.2.56) Targeted reduction from base year (%)

100

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

0.0000000000

(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions

131.88

(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

1.19

(7.53.2.61) Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

1.1900000000

(7.53.2.81) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.2.82) % of target achieved relative to base year

87.02

(7.53.2.83) Target status in reporting year

Select from:

☑ Underway

(7.53.2.85) Explain target coverage and identify any exclusions

The intensity figure, which represents the ratio of Scope 1 and 2 emissions per unit of production, was calculated to be 1.19 for the Eskişehir Plant in 2023, and the target for the reporting year was achieved. This reflects a decrease of 87.02% compared to 2009.

(7.53.2.86) Target objective

It is aimed to achieve a 100% emission reduction in Scope 1 and 2 emissions in 2030 compared to 2009 for Eskişehir Plant. It appears that the target is being approached by achieving a 87.02% reduction in 2023.

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

Scope 2 emissions from the entire electricity consumption of the Eskişehir Plant reached zero emissions in 2023, thanks to I-REC certification. Efforts to reduce Scope 1 emissions are ongoing.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:
☑ Yes
[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply
☑ Targets to increase or maintain low-carbon energy consumption or production
☑ Targets to reduce methane emissions
☑ Net-zero targets
☑ Other climate-related targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:
☑ Low 1

(7.54.1.2) Date target was set

12/31/2018

(7.54.1.3) Target coverage

Select from:
☑ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

☑ Electricity

(7.54.1.5) Target type: activity

Select from:

☑ Consumption

(7.54.1.6) Target type: energy source

Select from:

☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/30/2019

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

265574.369

(7.54.1.9) % share of low-carbon or renewable energy in base year

0

(7.54.1.10) End date of target

12/30/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

100

(7.54.1.13) % of target achieved relative to base year

100.00

(7.54.1.14) Target status in reporting year

Select from:

☑ Achieved

(7.54.1.16) Is this target part of an emissions target?

Our target is to use renewable energy source for the purpose to reduce our Scope 1&2 emissions in Craiova, Kocaeli, Sancaktepe and Eskişehir Plants. An increase in the use of renewable sources for electricity will lead to a decrease in our gross global greenhouse gas emissions. This target is a part of targets Abs 1 and Abs 2.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☑ Other, please specify :Yes, as Ford Otosan, we will inform the SBT initiative about our reduction targets within two years.

(7.54.1.19) Explain target coverage and identify any exclusions

We procure renewable energy directly to meet our energy efficiency and greenhouse gas emission reduction targets. In 2023, we purchased 1,639,034.60 GJ of renewable electricity, resulting in a reduction of 179,161.79 tCO2e. We hold internationally recognized certifications confirming that, as of May 2020, our Craiova, Gölcük, Yeniköy, and Eskişehir campuses procure all their electrical energy from 100% renewable sources. At Ford Otosan, we have aligned our greenhouse gas emission reduction targets with the European Green Deal. In this context, our targets for Scope 1 and Scope 2 emissions from our operations are as follows: -Reduce Scope 1 and Scope 2 emissions by 86.6% by 2034 compared to the baseline year of 2017. -Achieve carbon neutrality in our factories by 2050. We are currently updating our long-term plans and developing our own science-based targets. As part of our carbon transition program, Ford Otosan has established a near-term science-based target to reduce absolute emissions from the combined full Scopes 1 and 2 (market-based) by 86.6% by 2034, using 2017 as the baseline year. Additionally, Ford Otosan committed in 2022 to establish long-term science-based targets to reach net-zero value chain GHG emissions by no later than 2050, in line with the SBTi Net-Zero Standard. Our teams are actively working on setting net-zero targets and plan to submit them to the SBTi.

(7.54.1.20) Target objective

As Ford Otosan, we aimed to achieve a 100% share of low-carbon or renewable energy by 2030 compared to 2019. We have already reached this target in 2023.

(7.54.1.22) List the actions which contributed most to achieving this target

In this context, our targets for Scope 1 and Scope 2 emissions from our operations include achieving 100% of our electricity consumption from low-carbon or renewable energy by 2030, compared to the 2019 baseline. We are currently updating our long-term plans and developing our own science-based targets. As part of our carbon transition program, Ford Otosan has established a near-term science-based target to reduce absolute emissions from the combined full scopes 1 and 2 (market-based) by 86.6% by 2034, using 2017 as the baseline year. With 100% of the electricity supply in our plants in Turkey and Craiova sourced from renewable energy, emissions related to electricity consumption in Scope 2 have been reduced to zero.
[Add row]

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:

☑ Oth 1

(7.54.2.2) Date target was set

12/31/2022

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers

☑ Percentage of suppliers (by procurement spend) disclosing their GHG emissions

(7.54.2.7) End date of base year

12/30/2023

(7.54.2.8) Figure or percentage in base year

51

(7.54.2.9) End date of target

12/30/2025

(7.54.2.10) Figure or percentage at end of date of target

60

(7.54.2.11) Figure or percentage in reporting year

51

(7.54.2.12) % of target achieved relative to base year

0.0000000000

(7.54.2.13) Target status in reporting year

Select from:

☑ Revised

(7.54.2.14) Explain the reasons for the revision, replacement, or retirement of the target

It has been revised to provide a ratio based on revenue instead of target emissions in order to reach more suppliers.

(7.54.2.15) Is this target part of an emissions target?

It is not part of an emission target for the time being, but it will help to reduce indirect emissions of Ford Otosan for upcoming years.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ Other, please specify

(7.54.2.18) Please explain target coverage and identify any exclusions

The target has been revised as a percentage of the turnover of suppliers who disclose their greenhouse gas emissions in 2023. The total percentage rate has been shared for all suppliers. There is no excluded part.

(7.54.2.19) Target objective

The percentage of suppliers that disclose greenhouse gas emissions among all suppliers will be 60% in 2025 compared to the base year 2023.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

We started to work toward our target of becoming carbon neutral across the entire supply chain in 2022. In the first stage, we conducted supplier sustainability assessments with pilot-scale companies in 2022. In addition to expanding the question set in late 2023, we organized awareness-raising activities such as Supplier Sustainability Conferences, online Sustainability training programs and Supplier Workshops. The process that began with awareness sessions continued with self-assessment and training at all suppliers and auditing of critical suppliers. The work carried out in 2023 included the creation of Net Zero Roadmap for our suppliers who produce critical product groups and the updating of existing procedures. Currently, 13 critical suppliers have set net zero targets for 2050. We also aim to share supplier responsibilities with Ford Global in 2024.

Row 2

(7.54.2.1) Target reference number

Select from:

☑ Oth 2

(7.54.2.2) Date target was set

12/31/2022

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers

☑ Percentage of suppliers (by procurement spend) setting emissions reductions targets

(7.54.2.7) End date of base year

12/30/2023

(7.54.2.8) Figure or percentage in base year

0

(7.54.2.9) End date of target

12/30/2025

(7.54.2.10) Figure or percentage at end of date of target

36.8

(7.54.2.11) Figure or percentage in reporting year

0

(7.54.2.12) % of target achieved relative to base year

0.0000000000

(7.54.2.13) Target status in reporting year

Select from:

☑ New

(7.54.2.15) Is this target part of an emissions target?

It is not part of an emission target for the time being, but it will help to reduce indirect emissions of Ford Otosan for upcoming years.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ Other, please specify

(7.54.2.18) Please explain target coverage and identify any exclusions

Critical suppliers (37, as determined in 2023), are included in the target scope, with 80% of them required to announce their greenhouse gas reduction targets. The target for the year 2025 is therefore equivalent to 36.8%. There is no excluded part. In 2023, the percentage of critical suppliers that set emission reduction targets is 0%.

(7.54.2.19) Target objective

The percentage of suppliers that setting emissions reduction targets among critical suppliers will be 36.8% in 2025 compared to the base year 2023.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

In 2023, we hosted two Supplier Sustainability Conferences with the participation of the suppliers that undergo Ford Otosan's sustainability audits. During these conferences, organized in alignment with the long-term sustainability targets we laid out through our Future. Now vision, we also declared our Supplier Sustainability Manifesto and shared it with all our suppliers. At Ford Otosan, we work to incorporate the impact of greenhouse gas emissions resulting from our activities into the decision-making processes when considering new investments and also toward the carbon neutrality across all operations along with products and services. Under our Future. Now vision, we disclosed our long-term sustainability targets in 2022 that will also contribute to our Net Zero commitment in alignment with the 1.5C goal. As we make progress on our targets, we encourage practices that address the entire value chain of Ford Otosan and prioritize cooperation with our stakeholders, starting with our suppliers.
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☑ NZ1

(7.54.3.2) Date target was set

12/31/2016

(7.54.3.3) Target Coverage

Select from:

☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Abs1

☑ Abs2

☑ Abs3

(7.54.3.5) End date of target for achieving net zero

12/31/2049

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.54.3.10) Explain target coverage and identify any exclusions

Ford Otomotiv Sanayi A.Ş. is a publicly traded company, where Ford Motor Company (41%) and Koç Holding A.Ş. (41%) have equal shares. As part of our carbon transition program, Ford Otosan has set its own near-term science-based target to reduce absolute emissions from the combined full scopes 1 and 2 (market-based) by 86.6% by 2034, using the baseline year of 2017. Moreover, Ford Otosan has submitted to SBTi in January 2023. This target aligns with our ambition to limit global warming to below 1.5 degrees and is currently under review by the Science-Based Targets initiative. We plan to improve the production processes, introduce more energy efficiency measures and use renewables. Ford Otosan has increased its use of renewable electricity up to 100 percent in 2022. By using renewable electricity, we reduced our scope 2 carbon footprint by more than 82.45% of our total scope 2 (market-based) emissions. The remaining scope 2 emissions result from purchased heat and steam. As part of our carbon transition program, Ford Otosan has revised and increased ambitious level of above target and set its own near-term science-based target using the latest version of SBTi guides to reduce scope 3 use of sold products GHG emissions 58.89% by 2034 from a 2021 base year. We commit to reduce scope 3 use of sold products emissions in line with our goal to expand our product range with zero-emission and low emission vehicles, we continue our studies to develop fully electric models of Ford Transit along with its hybrid version. In 2022, Ford Otosan committed to set long-term science-based targets to reach net-zero value chain GHG emissions by no later than 2050 in line with the SBTi Net-Zero Standard. Currently our teams are working on setting net-zero targets and planning to submit it to SBTi. As Ford Otosan, our target for 2050 is to reduce our total emissions by 90%.

(7.54.3.11) Target objective

As Ford Otosan, our target for 2050 is to reduce our total emissions by 90%.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ Yes, and we have already acted on this in the reporting year

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ No, we do not plan to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation

(7.54.3.16) Describe the actions to mitigate emissions beyond your value chain

Ford Otomotiv Sanayi A.Ş. is a publicly traded company, where Ford Motor Company (41%) and Koç Holding A.Ş. (41%) have equal shares. As part of our carbon transition program, Ford Otosan has set its own near-term science-based target to reduce absolute emissions from the combined full scopes 1 and 2 (market-based) by 86.6% by 2034, using the baseline year of 2017. This target aligns with our ambition to limit global warming to below 1.5 degrees and is currently under review by the Science-Based Targets initiative. We plan to improve the production processes, introduce more energy efficiency measures and use renewables. The work has been done to set a science based target and more concrete targets such as electrification of fossil fuelled systems, electrification of company car fleet and investment on own renewable energy systems until 2030. Ford Otosan has increased its use of renewable electricity up to 100 percent in 2022. By using renewable electricity, we reduced our scope 2 carbon footprint by more than 82.45% of our total scope 2 (market-based) emissions. The remaining scope 2 emissions result from purchased heat and steam. As part of our carbon transition program, Ford Otosan has revised and increased ambitious level of above target and set its own near-term science-based target using the latest version of SBTi guides to reduce scope 3 use of sold products GHG emissions 58.89% by 2034 from a 2021 base year. We commit to reduce scope 3 use of sold products emissions in line with our goal to expand our product range with zero-emission and low emission vehicles, we continue our studies to develop fully electric models of Ford Transit along with its hybrid version. In 2022, Ford Otosan committed to set long-term science-based targets to reach net-zero value chain GHG emissions by no later than 2050 in line with the SBTi Net-Zero Standard. Currently our teams are working on setting net-zero targets and planning to submit it to SBTi.

(7.54.3.17) Target status in reporting year

Select from:

☑ Underway

(7.54.3.19) Process for reviewing target

As Ford Otosan, we are committed to ongoing efforts to achieve net zero by 2050. The comprehensive effort is currently underway to establish a Net Zero target by 2050 in preparation for the submission to the Science Based Targets initiative (SBTi).
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:
☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	*0*	*`Numeric input*
To be implemented	*0*	*0*
Implementation commenced	*0*	*0*
Implemented	*12*	*6705.85*
Not to be implemented	*0*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes
☑ Process optimization

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

6705.85

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1
☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

886606

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

2846469

(7.55.2.7) Payback period

Select from:
☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 3-5 years

(7.55.2.9) Comment

These projects include such as lighting optimizations & LED lighting transformation, digital management of pressurized air, pump line driver transformation and economizer applications, solarwall and solar energy plants, energy management system, energy awareness and so on.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:
☑ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

Full compliance with environmental regulations and related laws is one of our environmental management principles. In this regard, our specialists constantly track changes in legislation and proactively align our implementations with evolving conditions under the supervision of the Government Affairs Coordinator. The Environmental Compliance Index (ECI) scorecard is monitored as one of our metrics. Additionally, the data is

checked in the Global Emissions Manager (GEM) as part of the EOS, enabling global monitoring. Ford Otosan's legal compliance index is also monitored by Koç Holding. In this regard, like every year, we achieved 100% legal compliance in 2023. Ford Otosan did not engage in any violations of environmental regulations and did not incur any penalties or accidents. The compliance and certification of the management standards we follow, such as ISO 14001, ISO 50001, and ISO 14064, are ensured and re-certified through independent external audits conducted annually. As part of the EOS Environmental Operation System, both independent external audits and audits by teams from abroad are conducted. Furthermore, the ISO 14001, ISO 50001, and ISO 14064 management standards undergo an internal audit process annually and environmental audits by Koç Holding every two years. The performance results are reported to executive management through monthly reports, to Ford Motor Company management via the Ford Global Emission Management Database, to Koç Holding through annual reports, and to all our stakeholders through sustainability reports. The risks related to compliance with regulatory requirements and standards are assessed by the relevant departments, and the necessary budget adjustments for anticipated activities are approved by Top Management. Our connection to other frameworks includes UN SDG 7 (Affordable and Clean Energy), UN SDG 13 (Climate Action), and UN SDG 17 (Partnership for the Goals). We participate in the Ministry's National Carbon Pricing meetings, and as Ford Otosan, we provide our input through OSD and TÜSİAD in response to surveys. We have also expressed our opinions regarding the Climate Law to be published in Turkey. Additionally, we are a member of the Green Deal Task Force at TÜSİAD, where we monitor developments.

Row 2

(7.55.3.1) Method

Select from:

☑ Dedicated budget for energy efficiency

(7.55.3.2) Comment

In line with our commitment to achieve Net Zero by 2050, energy efficiency and the reduction of GHG emissions are the most important parts of our activities to combat climate change. We view energy efficiency as a continuous improvement area and carry out reform projects in every process of our operations. For the Türkiye Plant, we reduced our energy consumption per vehicle to 4.22 GJ/vehicle in 2023, marking a increase of 9.56% compared to 2022. In Romania, the energy consumption per vehicle was 3.44 GJ in 2023, representing an increase of 4.11% from the previous year. The total energy consumption per vehicle for both Türkiye and Romania in 2023 was 3.96 GJ, which is a 8.32% increase compared to the previous year. In 2023, our total environmental investments and expenditures reached 88.153 million TL. Our facilities in Türkiye purchased 344,734.30 MWh of renewable energy, resulting in the same amount used for electricity. This led to a reduction of 149,291.43 tons of CO2e emissions. As a result, Scope 2 emissions for 2023 are zero in Türkiye. Including our plant in Romania, a total of 455,287.39 MWh of renewable energy was purchased in 2023, which resulted in a reduction of 179,161.79 tCO2e. Of the total Scope 2 emissions, only 84,968.33 MWh from steam usage in Romania accounted for 36,405.93 tons of CO2 emissions. Compared to the previous year, emissions from steam usage in Romania decreased by 4.14%. We obtained internationally recognized I-REC certifications, confirming that all the energy used in our Türkiye plants comes from 100% renewable sources. We also received GO certification, which confirms that all the electricity used in the Craiova Plant is sourced from 100% renewable sources. Annually, we generate 5,158,233 kWh of electricity from rooftop solar installations, including 1.18 MW at the Gölcük Plant and 3.3 MW at the Yeniköy Plant. We also harness daylight and produce around 85 kW from a solar energy system on the Yeniköy Plant's façade, resulting in energy savings of 161,190 kWh in 2023. Additionally, as part of the Laser Machine Project, we replaced old laser cutting machines at all our plants with state-of-the-art models, saving 105,000 kWh of energy over five months. In 2023, VOC levels at Yeniköy Plant decreased by 8.47% to 31.83 gr/m² due to process improvements and the use of recyclable materials with lower VOC content.

Row 3

(7.55.3.1) Method

Select from:

☑ Employee engagement

(7.55.3.2) Comment

At Ford Otosan, we find it important that the field and office employees, who have a significant impact on the products and the company, take initiative. We created the Suggestion and Improvement System with the aim of recognizing and supporting the implemented improvements and the submitted suggestions in critical field processes like production. The Improvement System is available to our field employees, and the Suggestion System is available to our field and office employees. In this system, which we use to document the improvements and suggestions made by our field and office employees in their work processes, in addition to their job descriptions, the improvements are implemented through the employees' individual efforts, and the suggestions are introduced if they are found viable based on the opinion and review of the subject matter expert. People who submit suggestions or make improvements or other efforts log in to the system and file the application, so that the process can be tracked effectively. As part of the Improvement System, our employees achieved improvements in the following areas: line stability - labor gains, apparatus development, energy savings, industrial material, robotic and material gains and paint savings. We reward all impactful improvements and suggestions through the Suggestion and Improvement System, which enabled Ford Otosan to implement 156 projects in 2023. In total, 602 our employees were rewarded for the improvements they achieved, while the company saved Euro 12 million.

Row 4

(7.55.3.1) Method

Select from:

☑ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

We operate in two countries and four manufacturing sites: Gölcük, Yeniköy, Eskişehir Plants in Türkiye and Craiova Plant in Romania. With our annual production capacity of 746,500 units, three R&D centers and a Technocity office, the largest automotive spare parts distribution center in Türkiye and 23,701 employees, we are positioned as an industry leader. At Ford Otosan, we aim to achieve carbon neutrality in our manufacturing sites and the R&D center in Türkiye by 2030 and procure all the electricity used across our facilities from 100% renewable resources. We adopt multi-faceted strategies, including R&D, product investments, partnerships for supply chain sustainability, infrastructure development, marketing, and training to achieve the target of selling zero-emission commercial vehicles. Ford Otosan's R&D spending onvarious product development projects in 2023 amounted to TL 5.04 million before capitalization and TL 3.92 million after capitalization. Ford Otosan adopts the Design for Sustainability approach, which forms the foundation of our R&D activities. As part of Ford Otosan's journey toward net zero emissions target, we support suppliers and manufacturers in contributing to circular economy and offering environmentally friendly, cost-effective products to the users. Implementation of remanufacturing methods at Ford Otosan sites eliminates supplier-related logistics and reduces transportation-related emissions. Furthermore, the remanufacturing method facilitates the reintroduction of 47 different parts in total into the cycle in passenger cars and commercial vehicles. Through these practices, we reduced our total carbon footprint by more than 140 tons in 2023, saving TL 150 million.

Row 6

(7.55.3.1) Method

Select from:

☑ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

Ford Otosan signed the European Automobile Manufacturers' Association's (ACEA) 'Transition to zero-emission mobility' statement in 2022, demonstrating its commitment to transitioning to non-fossil fuel technologies in the heavy commercial fleet y 2040 and reducing its carbon footprint to zero by 2050 in compliance with the "Green Deal" strategy of the European Union. As we intensified our efforts to achieve zero emission in our heavy commercial vehicles, we also joined the European Union's zero emission logistics project, Horizon Europe Zero Emission Freight EcoSystem (ZEFES), with the vision of spearheading the transportation solutions of the future. As part of the project, Ford Trucks will develop the first fuel cell electric (FCEV) F-MAX to run on hydrogen. In addition to enabling us to develop innovative and sustainable solutions with engineering and R&D expertise, the ZEFES initiative will also help us gain significant competence in hydrogen technologies and FCEV research and demonstration. We will also monitor the effects of the project on the market with the aim of including fuel cell powered vehicles in our serial production plans toward net zero targets.

Row 7

(7.55.3.1) Method

Select from:

☑ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

We leverage the ReCube (Recycle, Reuse, Reduce) project, which follows the Design for Sustainability principle, to analyze the products' environmental impact throughout the raw material, manufacturing, usage and recycling processes and continue to integrate Ford Otosan's sustainability approach into all the R&D activities. Also, we are a partner in the EU-funded RECIRCULATE project, which was launched in 2023 to reduce the need for essential raw materials and improve the overall life cycle management of batteries to meet the requirements of the battery recycling industry. The project's objective is to create a battery passport system that supports the circular business model for the life cycle of RECIRCULATE batteries using a blockchain-based platform. The project targets increasing the ratio of end-of-life batteries recycled in production processes from the current level of 1% to over 50%. To meet the project objectives, over 70% of the cells in a faulty battery pack will be recovered through cost-effective disassembly and remanufacturing processes. Furthermore, we aim to reduce recycling costs by up to 80% by using automated processes. We expect to increase the number of cycles for each battery by 100% and energy life by 70% by creating value chains leveraging optimal reuse, remanufacturing and recycling methods. [Add row]

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☑ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☑ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:
☑ Low-Carbon Investment (LCI) Registry Taxonomy

(7.74.1.3) Type of product(s) or service(s)

Power
☑ Other, please specify **:**Avoided emissions, internal know-how and calculations

(7.74.1.4) Description of product(s) or service(s)

Ford Otosan Sustainable Product Definition: A sustainable vehicle is an environmentally friendly mode of transportation designed to minimize its negative impact on the environment. These vehicles produce lower emissions, consume less energy, and typically operate using alternative fuel technologies such as electricity, hydrogen, or biofuels. They provide greater energy efficiency compared to traditional vehicles, resulting in less pollution and a smaller carbon footprint.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:
☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:
☑ Other, please specify **:**We are performing a detailed Well-to-Wheel Scope 3 CO2e emissions calculation by substituting BEV vehicles with similar diesel vehicles, using the same methodology. The difference shows the emissions prevented by BEV sales.

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:
☑ Cradle-to-gate

(7.74.1.8) Functional unit used

g/km CO2e / mT absolute CO2e

(7.74.1.9) Reference product/service or baseline scenario used

The CO2 reduction impact of BEV vehicles in the MCV category was calculated by comparing it to the emissions that would occur if the same number of diesel vehicles were used.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Cradle-to-gate

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

9.2

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

We are conducting a detailed Well-to-Wheel Scope 3 CO2e emissions assessment by substituting BEV vehicles with comparable diesel vehicles, utilizing the same methodology for an alternative CO2e calculation. The difference reflects the emissions prevented by the sales of BEV vehicles.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

4.7
[Add row]

(7.75) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.

Row 1

(7.75.1) Activity

Select from:

☑ Light Duty Vehicles (LDV)

(7.75.2) Metric

Select from:

☑ Production

(7.75.3) Technology

Select from:

☑ Plug-in hybrid vehicle (PHEV)

(7.75.4) Metric figure

3760

(7.75.5) Metric unit

Select from:

☑ Units

(7.75.6) Explanation

Ford Otosan's electrification journey started with the production of the first PHEV (Plug-in Hybrid) commercial vehicles in its segment. The production volume of PHEVs by Ford Otosan was 3760 units in 2023.
[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:
☑ No

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

☑ No

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Water withdrawals are measured and monitored constantly 100% by flow meters and crosschecked by bills monthly.

(9.2.4) Please explain

Ford Otosan measures water withdrawal in each production site. In Eskişehir and Kocaeli Plants, almost 100% of total withdrawals are from underground extraction wells in our locations. In Sancaktepe plant we withdrawal 66% of water from wells and the rest is from municipality.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

In our facilities, we can easily measure and monitor the amount of water withdrawn from wells at all times. The water withdrawn from the municipality in our Sancaktepe Facility is also monitored via monthly billings.

(9.2.4) Please explain

Water is vital for our operations and we have a company-wide target set out for water withdrawal covering all of our operations in the facilities which are located in Marmara, Sakarya and Jiu Water basins. We reduce water consumption in operations by recovering and treating water and protecting the water resources. We also work to determine the water risk across the value chain. We prefer to identify water stress areas by using WRI Aqueduct "Global Water Risk Mapping Atlas" which enables to map future water risks. Also, We created a Water Supply Action Plan against drought risks.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Monthly

(9.2.3) Method of measurement

The quality parameters analysed of water withdrawn are TDS, conductivity, Mn, Fe, NH3.

(9.2.4) Please explain

The process water used in production must meet operational quality standards; for this reason, it is measured and analyzed monthly in the labs of Ford Otosan facilities.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Continuously

(9.2.3) Method of measurement

100% of discharged total volumes is monitored continuously, it is cross-checked by the bills.

(9.2.4) Please explain

100% of Ford Otosan production sites monitor the total volume of their water discharges. Wastewater is discharged into the treatment plants in our facilities, then ending by either water media directly or the municipal treatment plant. The data is entered monthly into a corporate database, to evaluate consumption trends and reduction targets.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Discharges are monitored 100% by continuous flow meters.

(9.2.4) Please explain

Wastewater is discharged into the treatment plants in our facilities, then ending by either water media directly or the municipal treatment plant. Discharges from municipal treatment plants to water medias monitored by municipalities and they are conforming to standards.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Discharges by treatment method are monitored 100% by continuous flow meters.

(9.2.4) Please explain

We make sure that wastewater generated in our production processes is treated before discharge. We currently have four treatment plants, one each at Gölcük, Yeniköy, Eskişehir and Romania Plants. In Türkiye plants, which have a total installed capacity of 3,836 m3, we treat substances such as acid, alkaline, oil, paint, and wastewater. In Craiova, there is a wastewater treatment plant with a capacity of 36.67 m3/h. Water discharged from industrial operations and from domestic use are monitored and treated separately. Treatment methods for industrial wastewater: Coagulation, neutralization, sedimentation and filtration. After Primary treatment, effluent is further

treated in activated sludge process together with domestic wastewater. All wastewater was treated according to Water Pollution Control Legislation.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Continuously

(9.2.3) Method of measurement

We have an online system in place that continuously measures various pollution parameters, such as COD, pH, TSS, and fluoride, in industrial wastewater at the discharge points of the plants.

(9.2.4) Please explain

We make sure that wastewater generated in our production processes is treated before discharge. We currently have four treatment plants, one each at Gölcük, Yeniköy, Eskişehir and Romania Plants. In Turkey plants, which have a total installed capacity of 3,836 m3, we treat substances such as acid, alkaline, oil, paint, and wastewater. In Craiova, there is a wastewater treatment plant with a capacity of 36.67 m3/h. According to Water Pollution Control Legislation, discharge limits have been defined in Table 18-2 and Table 20-7, 21-1 for the Sector "Manufacturing of Road Transport Vehicles" Plant effluent has been examined by an authorized external company and the results have been formally reported to the Legal Authority.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Monthly

(9.2.3) Method of measurement

Our Wastewater Treatment facilities collect samples and conduct analyses according to the Water Pollution and Control Regulation at least once a month with the assistance of authorized companies.

(9.2.4) Please explain

Ford Otosan measures water discharged separated into domestic wastewater and industrial wastewater. We use discharge treatment processes to ensure compliance with regulatory requirements across all our facilities.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Monthly

(9.2.3) Method of measurement

This is measured and monitored by the authorities monthly.

(9.2.4) Please explain

By the National Legislation, it is stated that discharges to sewage systems the temperature of the water should be less than 40 degrees. As Ford Otosan, we meet this requirement in all of our facilities.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Continuously

(9.2.3) Method of measurement

Water consumption is 100% monitored by continuous flow meters.

(9.2.4) Please explain

Water consumption is 100% monitored by continuous flow meters, in divisions to assess consumption trends and reduction targets.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Continuously

(9.2.3) Method of measurement

Water recycled/reused is monitored with flowmeters constantly.

(9.2.4) Please explain

Water recycled/reused is monitored with flowmeters constantly. 255,318 m3 of treated water effluent was reused in processes at 2023.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Continuously

(9.2.3) Method of measurement

WASH services are monitored 100% by continuous flow meters to ensure the fully functioning.

(9.2.4) Please explain

Our Code of Human Rights, Basic Working Conditions, and Corporate Responsibility requires Ford Otosan to provide a safe and healthy work environment for all employees at 100% of our sites. At existing facilities, human rights assessments are performed, and these include checking on the provision of WASH services to all workers. Human rights assessments are completed on four facilities per year.
[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

1826.32

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Much higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Investment in water-smart technology/process

(9.2.2.6) Please explain

Water management process and water withdrawal values are publicly available in our 2023 Annual Integrated Report. Our water withdrawal in 2023 is higher compared to 2022. Aiming to conserve the water resources, we carry out various projects to reduce fresh water consumption in our operations. We recycle the water in the cooling towers at the Gölcük and Yeniköy Plants and with reverse osmosis at the Yeniköy Plant. We also reuse the water at the Eskişehir Plant with the help of closed-loop cooling towers. With the Wastewater Recovery System at the Gölcük and Yeniköy Plants, we aim to recover the effluents from the existing treatment and backwashing processes and the domestic wastewater while reducing fresh water withdrawal by nearly 40%. In 2022, total withdrawal (Türkiye and Romania) was 1,511.38 megaliter/year. Water withdrawal during the reporting period has increased by 20.8 % compared to previous year. The reason for this increase is mainly by the increase in the business activity and increase in employee number according to previous year. Year-to-year changes of less than 5% were considered as "about the same". Year-to year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower".

Total discharges

(9.2.2.1) Volume (megaliters/year)

412.51

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Investment in water-smart technology/process

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Investment in water-smart technology/process

(9.2.2.6) Please explain

*Water discharge values of industrial waste water are publicly available in our 2023 Annual Integrated Report. (*In the Report water discharge is referred to as Total water discharge). Our water discharge in 2023 is lower compared to 2022. Here the term “water discharge” refers to industrial wastewater amount in Kocaeli, Eskişehir, Sancaktepe and Craiova Facilities. Ford Otosan's wastewater treatment plants to the municipal sewer system or a freshwater destination from the boundaries of the organization. In 2022, total discharge (Turkey and Romania) was 470.03 megaliter/year. We acquired Ford’s Craiova Plant in Romania in 2022. The amount of total water discharge has decreased by 12.2% in the reporting period compared to previous year. We recycle the water in the cooling towers at the Gölcük and Yeniköy Plants and with reverse osmosis at the Yeniköy Plant. We also reuse the water at the Eskişehir Plant with the help of closed-loop cooling towers. Year-to-year changes of less than 5% were considered as "about the same". Year-to year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower".*

Total consumption

(9.2.2.1) Volume (megaliters/year)

1413.82

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Much higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Investment in water-smart technology/process

(9.2.2.6) Please explain

Here the term “water consumption” calculated as the difference of “water withdrawal” and "water discharges" which is defined as “the sum of all water drawn into the boundaries of the organization from all sources and not discharged to the outside of the facilities but consumed.” In 2022, total consumption (Türkiye and Romania) was 1,041.36 megaliter/year. Water total consumption during the reporting period has increased by 35.8% compared to previous year. The change is mainly due to increase in business activity and employee number. The wastewater recovery projects were launched to reduce fresh water consumption, and as a result of the efforts to reduce the consumption of natural resources at the offices, Yeniköy Plant was certified with the Green Office Diploma in the WWF-Türkiye Green Office Network. Following the Sancaktepe Campus, the Eskişehir Plant and Kocaeli Plants also received the Green Office Diploma. Year-to year changes of less than 5% were considered as "about the same". Year-to year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower".
[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:
☑ Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

1322.95

(9.2.4.3) Comparison with previous reporting year

Select from:
☑ Higher

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:
☑ Increase/decrease in business activity

(9.2.4.5) Five-year forecast

Select from:
☑ Lower

(9.2.4.6) Primary reason for forecast

Select from:
☑ Investment in water-smart technology/process

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

(9.2.4.8) Identification tool

Select all that apply

☑ WRI Aqueduct

(9.2.4.9) Please explain

We identified the water stress risk values of our locations using the WRI Aqueduct "Global Water Risk Mapping Atlas," which maps future water risks. It is a recommended tool by TCFD. Our TCFD report is embodied in 2023 Annual Integrated Report. The study by TruCost shows that the water risk is among our physical risks and we are in the high risk category in terms of Water Management. According to the medium (2C) scenario, Ford Otosan's Gölcük, Yeniköy and Eskişehir sites would be exposed to high levels of water stress. In addition to this study, Ford Otosan has determined that all of its facilities in Türkiye are located in the Marmara and Sakarya basins, known as high water-stressed basins2 (Reference: General Directorate of State Hydraulic Works- DSI). The Marmara basin, where the Kocaeli plants and the Sancaktepe complex are located, is a high risk (40%-80%) region, while the Sakarya basin, where the Eskişehir plant is located, is an extremely high risk (80%) area. On the other hand, the Craiova plant in Romania was assessed to have low water risk (
[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Ford Otosan facilities do not consume any fresh surface water, including rainwater, water from wetlands, rivers and lakes, therefore it is not relevant.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Ford Otosan facilities do not consume any brackish surface water or seawater, therefore it is not relevant.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

1313.45

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.7.5) Please explain

The direct use of water resources is vital for our operations continuity such as vehicle painting in manufacturing processes, machining of power train components, cooling towers & wash services. In 2022, total groundwater withdrawal (Türkiye and Romania) was 1,181.67 megaliter/year. Groundwater - renewable withdrawal during the reporting period has increased 11.2% compared to previous year. The reason for this increase is mainly by the increase in the vehicle production and employee number according to previous year In the coming years we expect the amount of water withdrawal from renewable ground water to remain about the same because even the production amount increases, water used per vehicle is predicted to decrease in line with our water targets. Year-to year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as “higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower".

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Ford Otosan facilities do not consume any non-renewable groundwater, therefore it is not relevant.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Ford Otosan facilities do not use produced or entrained water.

Third party sources

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

512.9

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Much higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.7.5) Please explain

The third-party source is the municipality where our Sancaktepe and Craiova Facilities are located. In 2022, total withdrawal from third party sources (Türkiye and Romania) was 329.72 megaliter/year. We acquired Ford's Craiova Plant in Romania in July 2022. In 2022, water withdrawal data for the first 6 months was only from the factories in Turkey, while for the last 6 months, it included water withdrawal from both Türkiye and Craiova. This is the reason for the increase in 2023 compared to the previous year. Third party sources withdrawal during the reporting period has increased by 55.5% compared to previous year. Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower".
[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

48.76

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Investment in water-smart technology/process

(9.2.8.5) Please explain

Gölcük, Yeniköy, Eskişehir and Romania Plants have wastewater treatment plants. The treated wastewater at the Eskişehir Plant is discharged to the receiving environment. Wastewater is discharged in compliance with the reference values specified in the Regulation on Water Pollution Control and the Regulation on Wastewater Discharge into Sewage. Compliance with limit values is measured and ensured through regular tests. In 2022, total discharge to fresh surface water was 52.75 megaliter/year. Fresh surface water discharge during the reporting period has decreased by 7.6 % compared to 2022. Year-to year changes of less than 5% were considered as "about the same". Year-toyear changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower".

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

☑ Not relevant

(9.2.8.5) Please explain

Discharges to brackish surface water/seawater are not relevant because Ford Otosan does not discharge its wastewater to brackish surface water/seawater.

Groundwater

(9.2.8.1) Relevance

Select from:

☑ Not relevant

(9.2.8.5) Please explain

Discharges to groundwater are not relevant because Ford Otosan does not discharge its wastewater to groundwater.

Third-party destinations

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

363.75

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Investment in water-smart technology/process

(9.2.8.5) Please explain

Gölcük, Yeniköy, Eskişehir and Romania Plants have wastewater treatment plants. The treated wastewater at the Kocaeli Plants and Romania Plant are discharged to the sewage. Wastewater is discharged in compliance with the reference values specified in the Regulation on Water Pollution Control and the Regulation on Wastewater Discharge into Sewage. Compliance with limit values is measured and ensured through regular tests. In 2022, total discharge to third party sources (Türkiye and Romania) was 417.28 megaliter/year. Third-party destinations discharge during the reporting period has decreased by 12.8% compared to previous year. Year-to-year changes of less than 5% were considered as "about the same". Year-to year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower". [Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

412.51

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Investment in water-smart technology/process

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 100%

(9.2.9.6) Please explain

Our Gölcük, Yeniköy, Eskişehir and Craiova Plants have wastewater treatment plants. The treated wastewater from the Wastewater Treatment Plants at the Gölcük and Yeniköy Plants is discharged to the sewage system and the treated wastewater from the Eskişehir and Craiova Plant's Wastewater Treatment Plant is discharged to the receiving environment. Tertiary treatment was applied to 100% of our total discharges this reporting year. Total water discharge during the reporting period has decreased by 12.2 % compared to 2022. Wastewater is discharged in compliance with the reference values specified in the Regulation on Water Pollution Control and the Regulation on Wastewater Discharge into Sewage. Compliance with limit values is measured and ensured through regular tests. We make sure that wastewater generated in our production processes is treated before discharge. We currently have four treatment plants, one each at Gölcük, Yeniköy, Eskişehir and Craiova Plants. In these plants, we treat substances such as acid, alkaline, oil, paint, and wastewater. We also have in place an online system that continuously measures various pollution parameter s such as COD, pH, TSS, and fluoride in industrial wastewater at the discharge points of the plants. The value includes the discharged wastewater from processes.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Relevant

(9.2.9.2) Volume (megaliters/year)

0

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:
☑ About the same

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:
☑ Investment in water-smart technology/process

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:
☑ 100%

(9.2.9.6) Please explain

Our Gölcük, Yeniköy, Eskişehir and Craiova Plants have wastewater treatment plants. The treated wastewater from the Wastewater Treatment Plants at the Gölcük and Yeniköy Plants is discharged to the sewage system and the treated wastewater from the Eskişehir and Craiova Plant's Wastewater Treatment Plant is discharged to the receiving environment. Wastewater is discharged in compliance with the reference values specified in the Regulation on Water Pollution Control and the Regulation on Wastewater Discharge into Sewage. Compliance

with limit values is measured and ensured through regular tests. We make sure that wastewater generated in our production processes is treated before discharge. The wastewater is treated as tertiary as final.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Relevant

(9.2.9.2) Volume (megaliters/year)

0

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:
☑ About the same

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:
☑ Investment in water-smart technology/process

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:
☑ 100%

(9.2.9.6) Please explain

Our Gölcük, Yeniköy, Eskişehir and Craiova Plants have wastewater treatment plants. The treated wastewater from the Wastewater Treatment Plants at the Gölcük and Yeniköy Plants is discharged to the sewage system and the treated wastewater from the Eskişehir and Craiova Plant's Wastewater Treatment Plant is discharged to the receiving environment. Wastewater is discharged in compliance with the reference values specified in the Regulation on Water Pollution Control and the Regulation on Wastewater Discharge into Sewage. Compliance with limit values is measured and ensured through regular tests. We make sure that wastewater generated in our production processes is treated before discharge. The wastewater is treated as tertiary as final.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Not relevant

(9.2.9.6) Please explain

In all of Ford Otosan's plants, no discharge is released into the natural environment without treatment

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

In all of Ford Otosan's plants, no discharge is released into the third party without treatment

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

There is no other treatments in Ford Otosan's facilities.
[Fixed row]

(9.2.10) Provide details of your organization’s emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

(9.2.10.1) Emissions to water in the reporting year (metric tons)

11.1

(9.2.10.2) Categories of substances included

Select all that apply

☑ Priority substances listed under the EU Water Framework Directive

(9.2.10.3) List the specific substances included

Chromium Cadmium Copper

(9.2.10.4) Please explain

Wastewater containing heavy metals is produced as a result of operational activities and production processes. Depending on the production process, various pollutants may be present, and chromium, cadmium, and copper are measured accordingly.
[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

5

(9.3.3) % of facilities in direct operations that this represents

Select from:

☑ 100%

(9.3.4) Please explain

We define substantive change as potential impact on our operations and cost. Quality and quantity of water for operational purposes is important for us. Regional Water Allocation for industry may have a substantive change for our operations. Water discharge regulations is another important element of this issue. Our facilities are located in water stressed areas. There are Ford Otosan Kocaeli Plants (Gölcük and Yeniköy Plants) and Sancaktepe R&D Center and Spare Part Distribution Center at Marmara Basin. Eskişehir Plant is located in Sakarya Basin and Craiova Plant is located in Jiu Water Basin. The Marmara basin, where the Kocaeli plants and the Sancaktepe complex are located, is a high risk (40%-80%) region, while the Sakarya basin, where the Eskişehir plant is located, is an extremely high risk (80%) area. On the other hand, the Craiova plant in Romania was assessed to have low water risk (

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

5

(9.3.4) Please explain

Ford Otosan classifies suppliers as having substantive dependencies and/or impacts on the environment based on their dependence on water, impact on water availability, and basin location. A supplier is considered to have a substantive dependency or impact on water if they meet one or more of the following criteria: mine or produce any

of the following materials: steel, chemicals or aluminium, which have the highest carbon footprints due to their energy-intensive production methods. Through the supplier self-assessment survey, we collect information from our suppliers about whether they withdraw water from water-stressed areas.
[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:
☑ Facility 1

(9.3.1.2) Facility name (optional)

Gölcük Plant (from Kocaeli Plants)

(9.3.1.3) Value chain stage

Select from:
☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply
☑ Dependencies
☑ Impacts
☑ Risks
☑ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:
☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Turkey
☑ Other, please specify **:**Marmara Basin

(9.3.1.8) Latitude

40.717352

(9.3.1.9) Longitude

(9.3.1.10) Located in area with water stress

Select from:

☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

754.61

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ About the same

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

754.61

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

168.3

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Much lower

(9.3.1.23) Discharges to fresh surface water

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

168.3

(9.3.1.27) Total water consumption at this facility (megaliters)

586.31

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:
☑ Higher

(9.3.1.29) Please explain

Our Gölcük Plant is located in Marmara Basin and we withdrawal water from wells located near. Water withdrawal amount is monitored via flowmeters constantly on the site. Water discharge is the amount of water discharged from treatment plant to municipality system. The consumption amount is calculated with the difference of these two values. Total water consumption at this facility during the reporting period has increased by 11.8 % compared to previous year. The only discharge destination is third party destination for this facility. Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower.

Row 2

(9.3.1.1) Facility reference number

Select from:
☑ Facility 2

(9.3.1.2) Facility name (optional)

Yeniköy Plant

(9.3.1.3) Value chain stage

Select from:
☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Turkey

☑ Other, please specify **:**Marmara

(9.3.1.8) Latitude

40.717352

(9.3.1.9) Longitude

29.851182

(9.3.1.10) Located in area with water stress

Select from:

☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

274.1

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Much higher

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

83.22

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:
☑ Much higher

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

83.22

(9.3.1.27) Total water consumption at this facility (megaliters)

190.88

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:
☑ Much higher

(9.3.1.29) Please explain

Our Yeniköy Plant is located in Marmara Basin and we withdrawal water from wells located near. Water withdrawal amount is monitored via flowmeters constantly on the site. Water discharge is the amount of water discharged from treatment plant to municipality system. The consumption amount is calculated with the difference of these two values. Total water consumption at this facility during the reporting period has increased by 60.9 % compared to previous year. The only discharge destination is third party destination for this facility. Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower.

Row 3

(9.3.1.1) Facility reference number

Select from:

☑ Facility 3

(9.3.1.2) Facility name (optional)

Sancaktepe R&D Center and Spare Part Distribution Center

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Turkey

☑ Other, please specify :Marmara

(9.3.1.8) Latitude

40.974679

(9.3.1.9) Longitude

(9.3.1.10) Located in area with water stress

Select from:

☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

27.96

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ About the same

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

18.46

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

9.5

(9.3.1.21) Total water discharges at this facility (megaliters)

0

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ About the same

(9.3.1.23) Discharges to fresh surface water

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

27.96

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:
☑ About the same

(9.3.1.29) Please explain

Our Sancaktepe Plant is located in Marmara Basin and we withdrawal water from wells located near and municipality. Water withdrawal amount is monitored via flowmeters and billings constantly on the site. Since there are no production activities at the Sancaktepe Facility, there is no industrial wastewater discharge or treatment plant. Domestic wastewater is discharged into the sewer system. Therefore, the discharge (industrial) value is reported as 0. Total water consumption at this facility during the reporting period has decreased by 1% compared to previous year. Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower.

Row 4

(9.3.1.1) Facility reference number

Select from:
☑ Facility 4

(9.3.1.2) Facility name (optional)

Eskişehir Plant

(9.3.1.3) Value chain stage

Select from:
☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Turkey

☑ Sakarya

(9.3.1.8) Latitude

39.842081

(9.3.1.9) Longitude

30.121566

(9.3.1.10) Located in area with water stress

Select from:

☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

266.28

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Higher

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

48.76

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:
☑ Lower

(9.3.1.23) Discharges to fresh surface water

48.76

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

217.52

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:
☑ Much higher

(9.3.1.29) Please explain

Our Eskişehir Plant is located in Sakarya Basin and we withdrawal water from wells located near. Water withdrawal amount is monitored via flowmeters constantly on the site. Water discharge is the amount of water discharged from treatment plant to fresh surface water. The consumption amount is calculated with the difference of these two values. Total water consumption at this facility has increased by 18.7% compared to previous year. The only discharge destination is third party destination for this facility. Year-to-year changes of less than 5% were considered as "about the same". Year-toyear changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower.

Row 5

(9.3.1.1) Facility reference number

Select from:
☑ Facility 5

(9.3.1.2) Facility name (optional)

Craiova Plant

(9.3.1.3) Value chain stage

Select from:
☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply
☑ Dependencies
☑ Impacts
☑ Risks
☑ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:
☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Romania
☑ Other, please specify **:**Jiu Water Basin

(9.3.1.8) Latitude

44.56454

(9.3.1.9) Longitude

23.90432

(9.3.1.10) Located in area with water stress

Select from:

☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

503.37

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Much higher

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

503.37

(9.3.1.21) Total water discharges at this facility (megaliters)

112.23

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ About the same

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

112.23

(9.3.1.27) Total water consumption at this facility (megaliters)

391.14

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:
☑ Much higher

(9.3.1.29) Please explain

Our Craiova Plant is located in Jiu Water Basin and we withdrawal water from municipality. Water withdrawal amount is monitored via flowmeters and billings constantly on the site. Water discharge is the amount of water discharged from treatment plant to municipality system. The consumption amount is calculated with the difference of these two values. Total water consumption at this facility during the reporting period has increased by 84.5% compared to previous year. Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower.
[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

Invoice and counter verification- 1,322,951 m3. The total water withdrawal data for Türkiye in the integrated report was audited by PwC.

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

The total water withdrawal data for Türkiye in the integrated report was audited by PwC.

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

The process water used in production must meet operational quality standards; for this reason, it is measured and analyzed monthly in the labs of Ford Otosan facilities.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

100% of Ford Otosan production sites monitor the total volume of their water discharges. However, these processes are not verified by a third-party auditor. We aim to obtain verification in the coming years.

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

Wastewater is discharged into the treatment plants in our facilities, then ending by either water media directly or the municipal treatment plant. However, these processes are not verified by a third-party auditor. We aim to obtain verification in the coming years.

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

We make sure that wastewater generated in our production processes is treated before discharge. We currently have four treatment plants, one each at Gölcük, Yeniköy, Eskişehir and Romania Plants. After Primary treatment, effluent is further treated in activated sludge process together with domestic wastewater. However, these processes are not verified by a third-party auditor. We aim to obtain verification in the coming years.

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

We make sure that wastewater generated in our production processes is treated before discharge and that it meets the regulations. The Central Laboratory Identification System (MELBES) allows organizations to monitor lab performance, verify compliance with protocols, and regulate testing and research practices. It typically involves a centralized platform or database that tracks the activities, certifications, and results of various laboratories to ensure standardization and quality control across different sectors.

Water consumption – total volume

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

Water consumption is 100% monitored by continuous flow meters. However, these processes are not verified by a third-party auditor. We aim to obtain verification in the coming years.
[Fixed row]

(9.5) Provide a figure for your organization’s total water withdrawal efficiency.

(9.5.1) Revenue (currency)

13992213960

(9.5.2) Total water withdrawal efficiency

7661425.14

(9.5.3) Anticipated forward trend

The acquisition of the Ford Craiova Plant took place in the first quarter of 2022. In 2023, revenue increased by 35% compared to the previous year. We have a target to reduce fresh water consumption per vehicle in facilities by 40%. Therefore, total water withdrawal efficiency will improve in the future.
[Fixed row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
	Select from: ☑ No	*None of our products contain substances classified as hazardous by a regulatory authority.*

[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:
☑ Yes

(9.14.2) Definition used to classify low water impact

We recognize that fresh water resources are vital for continuity of life and we engage in various activities in this field. At Ford Otosan, we recognize the conservation of water resources through efficient management as one of our key responsibilities. Therefore, we address water risks as an essential part of sustainability management. In this regard, we aim to reduce fresh water use per vehicle by 40% by 2030 through the water recovery projects implemented at the Gölcük, Yeniköy and Eskişehir Plants. These projects will pave the way to building a wastewater recovery system that will enable the reuse of treated wastewater and effluents (such as the treatment plant's existing effluent, domestic wastewater, backwash water, cooling tower blowdown water, etc.) in the production process. The project, already in progress for the Gölcük and Yeniköy Plants, will be deployed in 2024. As a result, the Kocaeli Plants are projected reach a recycling rate of 40% by 2025. As part of the new investments at the Yeniköy Plant, a Gray Water Recovery System will be built, expected to outperform the relevant targets. We recycle the water in the cooling towers at the Gölcük and Yeniköy Plants and with reverse osmosis at the Yeniköy Plant. Additionally, we reuse the water at the Eskişehir Plant with the help of closed-loop cooling towers. 3 Wet&Dry Scrubber Projects in Yeniköy Plant have enabled the elimination of environmentally harmful toxic chemicals, with the use of lead-free paint and chromium (6)-free phosphating chemicals. Dry Scrubber project offers an environmentally friendly solution by eliminating the need for water and chemicals in the process and preventing the generation of paint sludge waste.

(9.14.4) Please explain

A roadmap was created to reduce the amount of fresh water used in the Gölcük and Yeniköy manufacturing sites by 40% by 2030. Projects for recovering wastewater were included in this roadmap with plans to establish systems for the recovery of various effluents. Ford Otosan has continuously been working on long term solutions to minimize the impact by acting responsibly.
[Fixed row]

(9.15) Do you have any water-related targets?

Select from:
☑ Yes

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	*Select from:* ☑ No, but we plan to within the next two years	*We don't have water pollution related target but we plan to within two years.*
Water withdrawals	*Select from:* ☑ Yes	*Rich text input [must be under 1000 characters]*
Water, Sanitation, and Hygiene (WASH) services	*Select from:* ☑ No, but we plan to within the next two years	*We don't have Water, Sanitation and Hygiene related target but we plan to within two years.*
Other	*Select from:* ☑ No, and we do not plan to within the next two years	*We do not have any other water-related targets.*

[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:
☑ Target 1

(9.15.2.2) Target coverage

Select from:
☑ Country/area/region

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☑ Reduction in withdrawals per product

(9.15.2.4) Date target was set

12/31/2018

(9.15.2.5) End date of base year

12/30/2019

(9.15.2.6) Base year figure

3.01

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

1.81

(9.15.2.9) Reporting year figure

3.32

(9.15.2.10) Target status in reporting year

Select from:

☑ Underway

(9.15.2.11) % of target achieved relative to base year

-26

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

We recognize that fresh water resources are vital for continuity of life and plan to launch recycling projects at the Gölcük, Yeniköy and Eskişehir plants to reduce the use of fresh water per vehicle in these facilities by 40% by 2030. The Craiova plant is excluded from this target.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

The water withdrawal per produced vehicle in Turkey was 3.32 m3/vehicle in 2023. In 2023, the number of production (Türkiye) increased by 6.9% compared to the previous year. We aim to reduce fresh water use per vehicle by 40% by 2030 through the water recovery projects.The water withdrawal per produced vehicle in Türkiye was 3.32 m3/vehicle in 2023. In 2023, the number of production (Türkiye) increased by 6.9% compared to the previous year. The roadmap, created to reduce the amount of fresh water used in the Gölcük, Yeniköy and Eskişehir manufacturing sites by 40% by 2030, also includes projects for recovering wastewater. These projects will pave the way to building a wastewater recovery system that will enable the reuse of treated wastewater and effluents (such as the treatment plant's existing effluent, domestic wastewater, backwash water, cooling tower blowdown water, etc.) in the production process.

(9.15.2.16) Further details of target

The project, already in progress for the Gölcük and Yeniköy Plants, will be deployed in 2024. As a result, the Kocaeli Plants are projected reach a recycling rate of 40% by 2025. As part of the new investments at the Yeniköy Plant, a Gray Water Recovery System will be built, expected to outperform the relevant targets.
[Add row]

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

(10.1.1) Targets in place

Select from:

☑ Yes

(10.1.2) Target type and metric

Plastic goods/products

☑ Reduce the total weight of plastics in our goods/products

Other

☑ Other, please specify **:**Eliminate the single-use plastics from personal use

(10.1.3) Please explain

Regarding waste and circular economy, we have committed to fully implementing a zero-waste policy in the regular storage areas within our operations by 2030. Accordingly, Ford Otosan will completely eliminate single-use plastics from personal consumption and increase the rate of recycled and renewable plastics in the plastic parts of the vehicles produced at our plants to 30%. In heavy commercial vehicle groups, the trials and material development processes for sustainable plastics reinforced with natural fibers and additives such as recycled, bio-based jute, rice and nut shells are carried out with partner suppliers.
[Fixed row]

(10.2) Indicate whether your organization engages in the following activities.

Production/commercialization of plastic polymers (including plastic converters)

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Ford Otosan is not involved in any activities related to the production or commercialization of plastic polymers, including plastic converters.

Production/commercialization of durable plastic goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Ford Otosan is not involved in any activities related to the production or commercialization of durable plastics goods or components, including mixed materials.

Usage of durable plastics goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

☑ Yes

(10.2.2) Comment

As an Automotive OEM Ford Otosan using durable Engineering plastics for all of its vehicles to support at least 10 years of vehicle lifecycles.

Production/commercialization of plastic packaging

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Ford Otosan is not involved in any activities related to the production or commercialization of plastics packaging.

Production/commercialization of goods/products packaged in plastics

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Ford Otosan is not involved in any activities related to the production or commercialization of goods or products packaged in plastics.

Provision/commercialization of services that use plastic packaging (e.g., food services)

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Ford Otosan is not involved in any activities related to the provision or commercialization of services that use plastic packaging.

Provision of waste management and/or water management services

(10.2.1) Activity applies

Select from:

☑ Yes

(10.2.2) Comment

Working toward the "zero waste to landfills target by 2030," we engage in various studies and partnerships. Since the traditional landfill method does not align with our goals, we considered the options of recycling and obtaining energy from waste depending on the conditions of the landfill locations where our domestic waste is sent. To increase awareness across the entire ecosystem, waste management seminars were organized with dealer employees in attendance. Various activities and partnerships are ongoing to completely eliminate single-use plastics from personal consumption. Most of the products within this scope have already been discontinued. Single-use items are replaced by options that allow multiple uses. Activities to further integrate sustainable plastics into vehicle design and engineering processes are ongoing by increasing the ratio of recycled and renewable plastics used in the production of commercial vehicles by 2023. Moreover, the 10% sustainable plastic ratio targeted for new Transit Custom vehicles by 2023 has been successfully implemented, resulting in an average of 17 kilograms of recycled and renewable plastics used per vehicle. The lower leg stiffener (LLS) in Transit Custom vehicles that requires meeting strict specifications in terms of pedestrian safety and collision has been modified to contain 50% recycled plastic as of 2023. In heavy commercial vehicle groups, the trials and material development processes for sustainable plastics reinforced with natural fibers and additives such as recycled, bio-based jute, rice and nut shells carried out with partner suppliers. Regarding water management, we continue to work on reducing the use of clean water at all our locations. We created a Water Supply Action Plan against drought risks. We identified the water stress risk values of our locations using the WRI Aqueduct "Global Water Risk Mapping Atlas," which maps future water risks.

Provision of financial products and/or services for plastics-related activities

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Ford Otosan is not involved in any activities related to the provision of financial products or services for plastic-related activities.

Other activities not specified

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Ford Otosan is not involved in any other activities.
[Fixed row]

(10.4) Provide the total weight of plastic durable goods and durable components produced, sold and/or used, and indicate the raw material content.

Durable goods and durable components used

(10.4.1) Total weight during the reporting year (Metric tons)

107869

(10.4.2) Raw material content percentages available to report

Select all that apply

☑ % virgin fossil-based content

☑ % pre-consumer recycled content

(10.4.3) % virgin fossil-based content

97.7

(10.4.5) % pre-consumer recycled content

2.3

(10.4.7) Please explain

Ford Otosan's target for the utilization of recycled/recyclable (R/R) plastics is established in alignment with the draft directives of the European Union's End-of-Life Vehicles (ELV) directive and the availability of corresponding R/R materials in the market.
[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☑ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☑ Land/water management

☑ Species management

☑ Law & policy

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	Select from: ☑ Yes, we use indicators	*Select all that apply* ☑ Other, please specify :Species management

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

	Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity	Comment
Legally protected areas	*Select from:* ☑ No	*Ford Otosan does not have any activities in legally protected areas that are important for biodiversity.*
UNESCO World Heritage sites	*Select from:* ☑ No	*Ford Otosan does not have any activities in UNESCO World Heritage sites that are important for biodiversity.*
UNESCO Man and the Biosphere Reserves	*Select from:* ☑ No	*Ford Otosan does not have any activities in UNESCO Man and the Biosphere that are important for biodiversity.*
Ramsar sites	*Select from:* ☑ No	*Ford Otosan does not have any activities in Ramsar sites that are important for biodiversity.*
Key Biodiversity Areas	*Select from:* ☑ No	*Ford Otosan does not have any activities in Key Biodiversity Areas that are important for biodiversity.*
Other areas important for biodiversity	*Select from:* ☑ No	*Ford Otosan does not have any activities in other areas important for biodiversity.*

[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

☑ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Disclosure of risks and opportunities

☑ Other data point in module 3, please specify :Environmental fines

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

All key ESG performance indicators that Ford Otosan discloses to the public via the 2023 Annual Integrated Report are assured by an independent third party.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Business strategy

☑ Other data point in module 5, please specify **:**Environmental investments and expenditures (TL million)

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

All key ESG performance indicators that Ford Otosan discloses to the public via the 2023 Annual Integrated Report are assured by an independent third party.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

ford-otosan-annual-integrated-report-2023.pdf

Row 3

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Waste data

☑ Emissions breakdown by business division

☑ Fuel consumption

☑ Electricity/Steam/Heat/Cooling consumption

☑ Methane emissions

☑ Year on year change in absolute emissions (Scope 3)

☑ Base year emissions

☑ Renewable Electricity/Steam/Heat/Cooling consumption

☑ Emissions breakdown by country/area

☑ Year on year change in absolute emissions (Scope 1 and 2)

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

☑ ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

Climate change-related standards

☑ ISO 14064-3

(13.1.1.4) Further details of the third-party verification/assurance process

Our direct energy consumptions are verified by an independent 3rd party verifier according to ISO 14064 standard. Our indirect energy consumptions and the purchased renewable electricity data are verified by an independent 3rd party verifier according to ISAE 3000 standard.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

FORD OTOMOTİV 2023 GHG Verification Statement.pdf

Row 4

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

☑ Water withdrawals– total volumes

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

All key ESG performance indicators that Ford Otosan discloses to the public via the 2023 Annual Integrated Report are assured by an independent third party.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

ford-otosan-annual-integrated-report-2023.pdf

Row 5

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

☑ Water withdrawals – volumes by source

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

All key ESG performance indicators that Ford Otosan discloses to the public via the 2023 Annual Integrated Report are assured by an independent third party.
[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

	Additional information	Attachment (optional)
	Ford Otosan Physical Risk Analysis	*Ford_Otosan_Physical_Risk_Analysis.pdf*

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Corporate Communication and Sustainability Leader (Chief Sustainability Officer)

(13.3.2) Corresponding job category

Select from:

☑ Chief Sustainability Officer (CSO)

[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:

☑ No