TSRS-COMPLIANT SUSTAINABILITY REPORT 2024

FUTURE. NOW

FORD OTOSAN

Contents

About the Report

This report presents the consolidated sustainability-related financial disclosures of **Ford Otomotiv Sanayi A.Ş.** (the "Company" or "Ford Otosan") and its subsidiaries (collectively, the "Group"), prepared in accordance with the **Turkish Sustainability Reporting Standards (TSRS)** issued by the Public Oversight, Accounting and Auditing Standards Authority (POA). Ford Otosan is a publicly held company incorporated in Türkiye and listed on Borsa Istanbul (BIST). The report covers the financial reporting period of January 1, 2024 – December 31, 2024, and has been prepared in compliance with the TSRS, which was published in the Official Gazette on December 29, 2023, and became applicable for annual reporting periods beginning on or after January 1, 2024.

The TSRS framework references two core sustainability standards and sector-specific implementation guidelines issued by the POA:

- **TSRS 1:** General Provisions for Disclosure of Sustainability-Related Financial Information
- **TSRS 2:** Climate-Related Disclosures
- Guidance on Sector-Based Implementation of **TSRS 2**, Volume 63 – Automobiles

In line with TSRS 1 General Provisions for Disclosure of Sustainability-Related Financial Information and TSRS 2 Climate- Related Disclosures, this report discloses information on climate- related risks and opportunities that may be beneficial for users of general-purpose financial reports when making funding and investment decisions. It focuses on risks and opportunities that could reasonably be expected to affect Ford Otosan's cash flows, access to finance, or cost of capital over the short, medium, or long term. As outlined in the "Transition Exemptions" section, certain sustainability-related risks and opportunities are not included within the scope of this 2024 TSRS-Compliant Sustainability Report.

Climate-related risks and opportunities that may reasonably affect the Company's future financial position are discussed in the **Strategy** and **Risk Management** sections, which constitute the core content of this report based on their materiality levels. Conversely, climate-related risks and opportunities that fall below Ford Otosan's defined materiality thresholds and are not expected to impact its financial adequacy are excluded. Financial materiality assessments are based on EBITDA.

The financial and non-financial information disclosed in this report is designed to be comparable, verifiable, timely, and understandable, and is presented fairly in line with the principles set out in the TSRS framework.

The data and assumptions used for sustainability- and climate- related financial disclosures are consistent with Turkish Accounting Standards (TAS) and generally accepted accounting principles, as well as with the data and assumptions applied in the preparation of the Company's financial statements.

Connect to Financial Statements

The sustainability- and climate-related disclosures presented in this report pertain to Ford Otosan and should be assessed in conjunction with the Company's consolidated financial statements. Covering the 12-month period ending on December 31, 2024, this report is aligned with the same reporting period used for the consolidated financial statements. Relevant financial information referenced in this report can be accessed through **Ford Otosan's 2024 Consolidated Financial Statements.** The currency used for all financial disclosures related to sustainability and climate is consistent with that used in the financial statements.

Assurance

In line with the independent audit requirements of the Public Oversight, Accounting and Auditing Standards Authority (POA), Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (EY) has issued a limited assurance statement in accordance with GDS 3000 "Assurance Engagements Other Than Independent Audits or Limited Independent Audits of Historical Financial Information." This limited assurance statement is provided in the **Annexes** of the report. In addition, EY has conducted a limited assurance engagement pursuant to GDS 3410 "Assurance Engagements Regarding Greenhouse Gas Declarations." **The corresponding assurance statement is included on page 393 of the 2024 Ford Otosan Integrated Annual Report.**

Transition Exemptions

Ford Otosan has applied the following transition exemptions under TSRS 1 Articles E3, E4, E5, and E6, and TSRS 2 Article C3:

TSRS 1 E3: This report includes only sustainability-related information for the relevant reporting period.

TSRS 1 E4: Ford Otosan publishes its TSRS-Compliant Sustainability Report in July 2025, following the disclosure of financial statements for the period January 1 – December 31, 2024.

TSRS 1 E5 and TSRS 1 E6.a: Ford Otosan does not disclose comparative information regarding climate-related risks and opportunities. In accordance with the E5 exemption, information on other sustainability-related risks and opportunities is also not disclosed.

TSRS 2 C3: The report does not include comparative climate-related information from previous years.

Reporting Boundaries and Measurement Approach

Ford Otosan applies the operational control approach to determine its organizational boundaries for reporting greenhouse gas (GHG) emissions. Under this approach, the GHG emissions of subsidiaries over which the Company has operational control are included in the emissions inventory. Details regarding the scope and methodology of all metrics disclosed in Ford Otosan's 2024 TSRS-Compliant Sustainability Report are provided in the **Additional Disclosures on Calculating Metrics** section.

About Ford Otosan

Ford Otosan (Ford Otomotiv Sanayi A.Ş.) is a publicly traded company, with Ford Motor Company and Koç Holding each holding a 41% stake, and the remaining 18% shares in free float. Founded in 1959, Ford Otosan had, as of 2024, a production capacity of 934,500 vehicles, 430,000 engines, 112,000 rear axles, and 18,500 transmissions. This makes the Company Ford Europe's largest commercial vehicle production hub. Ford Otosan's registered address is: Akpınar Mahallesi, Hasan Basri Cad. No: 2, Sancaktepe, Istanbul.

Since 2004, Ford Otosan has consistently ranked among Türkiye's top three exporters. It has led the automotive industry for 13 consecutive years and has been the national champion in goods exports for 9 years. Operating from five major locations, the Company employs more than 25,000 people. Ford Otosan is the most valuable automotive company on Borsa Istanbul by market capitalization. With more than 2,000 R&D employees, it operates the largest single-location R&D center in the Turkish automotive industry. The Company exports engineering services and is responsible for the design, engineering, and manufacturing of Ford Trucks, Ford's sole heavy commercial vehicle brand. Under the Ford Trucks business unit, Ford Otosan appoints international distributors and dealerships, provides services, and supplies spare parts.

Ford Otosan's operations are spread across multiple facilities: The Kocaeli Facility includes the Gölcük Plant, which produces 2-ton vans, and the Yeniköy Plant, which manufactures 1-ton vans. The Eskişehir Facility hosts the Ford Trucks Plant, as well as engine and powertrain production for both trucks and 2-ton vans. The Craiova Plant in Romania produces Puma vehicles, the next-generation Transit Courier, and Ecoboost engines. International operations are managed through Ford Otosan Netherlands BV, located in the Netherlands. In Türkiye, the Group operates a spare parts distribution center and an R&D center in Sancaktepe, Istanbul, which also houses the sales and marketing units.

Ford Otosan's subsidiaries included in the consolidation, their fields of operation and capital shares are listed below:

Ford Otosan' s Subsidiaries

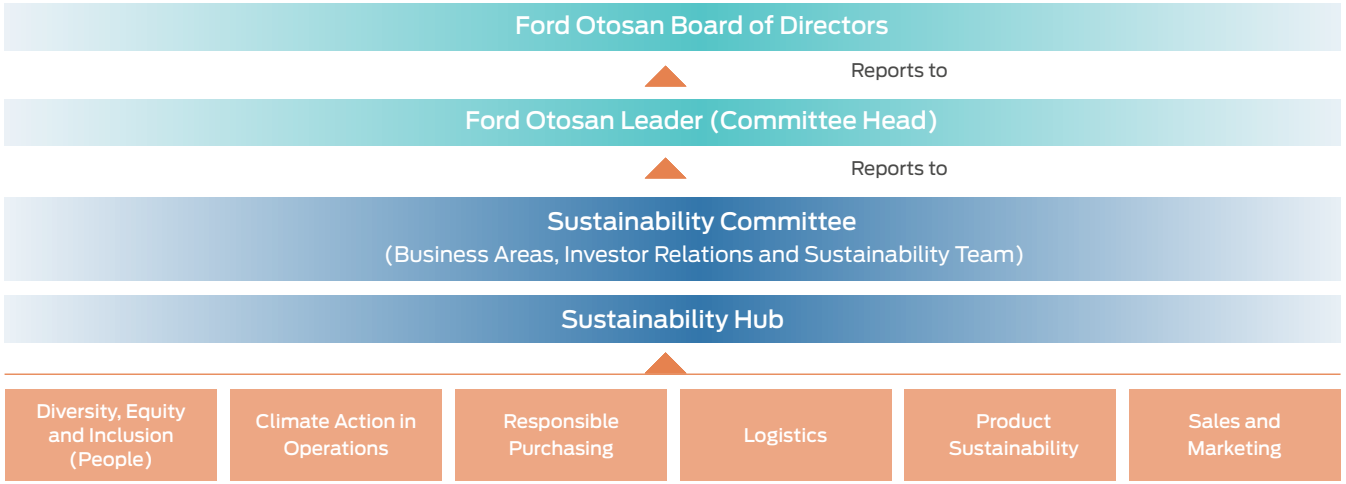
Trade Name	Field of Operation	Ford Otosan's Share in Capital (%)
Gembox Teknoloji Girişimleri Anonim Şirketi	Research and development, consultancy, engineering and incubation activities, investing in established companies and startups in these fields	100
Ford Otosan Netherlands BV	Carrying out the international activities of the Company and other holding companies and centrally managing the export market structures of Ford Trucks.	100
Ford Romania SRL	Manufacturing, assembly, import and sales of motor vehicles and spare parts	100
Rakun Mobilite Teknoloji ve Ticaret Anonim Şirketi	Developing and selling mobility products, technologies and solutions	100


GOVERNANCE

Governance

Ford Otosan Sustainability Management and Policies

At Ford Otosan and its subsidiaries, the responsibility for monitoring, managing, and overseeing sustainability- and climate-related risks and opportunities has been delegated to both a dedicated management-level position and a management-level committee. These responsibilities are executed primarily through the Early Determination and Management of Risk Committee (under BoD) and the Sustainability Committee. Ford Otosan manages risks and opportunities in line with the ISO 31000 Risk Management System, aiming to proactively identify, assess, and address potential risks that could impact the Company and its subsidiaries. This approach ensures alignment with corporate strategies and objectives and supports the development of effective risk and crisis management action plans. Sustainability- and climate-related risks are governed under Ford Otosan's Enterprise Risk Management (ERM) methodology, which outlines the procedures for identifying, measuring, prioritizing, and monitoring key risks. In 2024, as part of the annual assessment, sustainability-related risks and opportunities were reviewed and updated to align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These risks and opportunities are tracked by relevant departments under the guidance of the Risk Management Leadership function. Key areas of focus include Climate Change, Product Sustainability, Water Efficiency, Waste Management, Human Rights, Diversity, Equity and Inclusion, Occupational Health and Safety, Responsible Supply Chain, Sustainability in Dealers, Sustainability Regulations and Reporting, and Customer Satisfaction.



As part of its broader Sustainability Policies, Ford Otosan upholds the principles of the UN Global Compact and incorporates provisions related to sustainability risks into several key policies, including Biodiversity Strategy and the Environment and Energy, Ethics and Whistleblowing, Occupational Health and Safety, and Supply Chain Compliance and Compliance Policies. Additionally, Ford Otosan's commitments to managing climate-related risks are explicitly addressed in its Water Policy.

Ford Otosan also provides training programs designed to enhance employee knowledge and skills in managing sustainability- and climate-related risks and opportunities. These programs support the effective implementation of the Company's sustainability and climate strategies while strengthening employee competencies in these areas.

Board of Directors

At Ford Otosan, the Board of Directors holds the highest level of responsibility for sustainability management. Sustainability policies and strategies are centrally managed across all of Ford Otosan's operations, including its facilities in Türkiye and Romania, as well as all subsidiaries.
The Board of Directors is responsible for improving both the Company's economic performance and its environmental, social, and governance (ESG) performance. This includes oversight of R&D activities related to energy, the environment, and product development, as well as the integrated strategic plan. The Board ensures that sustainability and climate-related considerations are incorporated into resource allocation and strategic decision-making processes.

In setting the Company's strategy, the Board evaluates climate- related risks and opportunities and takes them into account when making decisions on major transactions. Climate risks are also considered in assessing the feasibility and effectiveness of the Company's sustainability strategies and policies. To support the implementation of the sustainability strategy, the Board of Directors actively participates in initiatives led by the Sustainability Committee and allocates the necessary resources to ensure successful execution.

Early Determination and Management of Risk Committee

The Early Determination and Management of Risk Committee was established to proactively identify risks that may threaten the existence, development, or continuity of the Company, and to oversee the implementation of necessary mitigation measures. The Committee is responsible for managing strategic, operational, financial, and ESG-related risks and opportunities, assessing the risk management system and reporting principles, reviewing periodic risk reports, and advising on cross-border risk situations. The Committee evaluates information security practices, monitors sustainability-related risks and opportunities, and submits reports to the Board of Directors six times a year, including four presented during Board meetings. It also provides guidance and recommendations to the Board on the early detection, assessment, and management of a wide range of risks - strategic, operational, financial, legal, sustainability-related, and others - that could impact Ford Otosan and its subsidiaries. This includes calculating their potential impact and probability, ensuring alignment with the Company's corporate risk appetite, implementing effective internal control systems, and incorporating risk insights into decision-making processes.

Specifically, the Early Determination and Management of Risk Committee holds responsibility for the early identification, assessment, and oversight of climate-related risks. It convenes four times a year to review updated information on climate risks and opportunities and to recommend appropriate actions.

The Corporate Risk Management Leadership oversees and manages all climate risks and opportunities across Ford Otosan's facilities and subsidiaries. This monitoring process occurs every two months and involves collaboration with risk officers, relevant senior management, and sustainability leadership.

Action plans include capital investments, internal and external audits, and the procurement of consultancy services across operational and supply chain activities. The Committee also evaluates climate change, sustainability, operational, financial, strategic, legal, and external risks categorized as "High" or "Very High" six times per year. Additionally, sustainability regulations and trends are reviewed monthly in meetings that include Business Area Leaders from Türkiye and Craiova, the Romania Facility Leader, and representatives from the regulation, environment, and compliance departments.

Members of the Early Determination and Management of Risk Committee possess expertise in sustainability and climate-related risks.

Sustainability Committee

All sustainability-related matters at Ford Otosan are overseen by the Sustainability Committee, which is chaired by the Ford Otosan Leader. The Ford Otosan Co-Leader serves as a reviewer of the Committee's decisions. Ford Otosan Leader's sustainability-related responsibilities include:

- Reporting to the Board of Directors on the Committee's progress toward targets and development areas and implementing investments approved by the Board.
- Evaluating and managing climate and water-related risks and opportunities.
- Communicating evolving global sustainability trends to the Board of Directors.
- Establishing long-term sustainability targets and securing Board approval.
- Collaborating with the Early Determination and Management of Risk Committee to review identified risks, performance improvement areas, and challenges on an annual basis, and obtaining Board approval for the required actions.
- Comparing the current state of sustainability initiatives with the overarching Company strategy and updating the strategy as needed.
- Appointing appropriate leaders to each working group.
- Determining investment and financing needs for projects and initiatives aimed at enhancing sustainability performance and presenting them to the Board of Directors.
- Overseeing the corporate water strategy, which encompasses all company operations and supply chain activities.
- Allocating the necessary human resource, technological investments, and financial resources to ensure the efficient use of natural resources.

The Sustainability Committee comprises Business Area Leaders, the Ford Otosan Leader, and the Craiova Plant Leader, who reports directly to the Ford Otosan Leader. Together with its working groups, the Committee ensures coordinated sustainability governance across all Ford Otosan facilities.

The Sustainability Committee's core responsibilities include defining and implementing strategies and policies to enhance ESG performance; providing strategic guidance, sharing expertise, and promoting best practices across business units; monitoring progress against sustainability goals and action plans outlined in the corporate strategy; and systematically planning and executing activities in ESG areas. The Sustainability Committee is further responsible for overseeing the management of risks that may impact Ford Otosan's reputation or operations and reviewing the sustainability strategy and roadmap in light of evolving global developments and sectoral trends. The Committee also evaluates proposals submitted by working groups on various sustainability matters. Convening at least four times a year, the Committee reviews the goals of sustainability teams,

assesses high and extremely high ESG and climate-related risks and opportunities, evaluates regulatory developments and planned strategic investments, and determines and updates required actions on a quarterly basis.

In managing climate-related risks and opportunities, the Sustainability Committee plays a key role in developing strategies and policies to minimize negative impacts across ESG aspects. During this process, trade-offs between different strategies are carefully evaluated, and decisions are made to implement the most effective courses of action. Progress toward strategic targets, development areas, and sustainability- and climate-related risks and opportunities categorized as “High” and “Extremely High” are reported to the Board of Directors, and approvals are obtained for the necessary investments. Meeting minutes are maintained by the Sustainability Hub and shared with all participants. Based on these outcomes, relevant teams initiate and execute action plans accordingly.

Members of the Sustainability Committee bring diverse experience and expertise in areas such as sustainability and climate regulations, strategic planning, target setting, risk management, and reporting. As the Chair of the Sustainability Committee, the General Manager possesses extensive knowledge of sustainability strategies, risks, and regulations, a Harvard Business School education, and six years of relevant experience.

The Deputy General Manager, a Committee member for three years, received general sustainability training through the Ford Global Executive Leadership (GEL) program. Together, the Ford Otosan Leaders (General Manager and Deputy General Manager) are responsible for overseeing the corporate water and carbon strategies, covering both operations and supply chain activities across Ford Otosan and its subsidiaries, assessing and managing climate- and water-related risks and opportunities, reviewing risks, performance progress, and challenges annually with the Early Determination and Management of Risk Committee, and securing Board approval for relevant actions.

Corporate Communications and Sustainability Executive Leader brings 15 years of experience in sustainability and climate regulations, strategy, target setting, risk, and reporting.

Engineering and Technology Development Executive Leader has served on the Committee since assuming his position in 2023. He is responsible for the lifecycle sustainability of Ford Otosan products and for developing climate-friendly innovations and targets.

Commercial Vehicles Executive Leader, a ten-year Committee member, is responsible for investments in low-carbon technologies aimed at decarbonizing operations. He collaborates with the Chief New Projects and Investments Officer to lead actions that mitigate and prevent the impacts of climate change within production.

Supply Chain Executive Leader, a Committee member for five years, oversees the transformation of the supply chain to reduce carbon emissions and is tasked with measuring and categorizing suppliers’ sustainability performance.

Human Resources and Transformation Executive Leader, with 18 years of experience in Diversity, Equity, and Inclusion (DEI) and Occupational Health and Safety (OHS), is responsible for monitoring and advancing DEI and OHS programs and targets across the Company. Additionally, he leads the analysis of low- carbon scenarios for operational and supply chain activities, develops associated roadmaps, and tracks the progress of Ford Otosan and its subsidiaries toward 2050 net-zero emissions target.

Sustainability Hub and Working Groups

Operating under the guidance of the Sustainability Committee, The Central Sustainability Team oversees the development of annual business plans and investments by working groups to implement the sustainability strategy approved by the Board of Directors. These include Logistics, Responsible Purchasing, Climate Action in Operations, Community Investments, Diversity, Equity and Inclusion, Product Sustainability, and Sales & Marketing. Each working group is responsible for monitoring progress toward the Company’s sustainability goals throughout the year. The Central Sustainability Team ensures that project proposals addressing strategic objectives and high-impact, high-probability sustainability risks and opportunities are submitted to the Sustainability Committee on a quarterly basis.

This process includes the development and implementation of cross-departmental policies that improve Ford Otosan’s sustainability performance across social, environmental, economic, and corporate governance aspects, supporting planned and systematic progress.

In collaboration with working groups that possess sectoral and regulatory expertise, The Central Sustainability Team identifies and assesses climate-related risks and opportunities. These teams develop and track the implementation of strategies that factor climate risks into decision-making. The Central Sustainability Team submits mitigation plans, as well as updates to the assessed impact and probability of identified risks to the Early Determination and Management of Risk Committee each quarter through Corporate Risk Leadership.

Corporate Communications and Sustainability Executive Leader reports quarterly to the General Manager and twice a year to the Board of Directors. She is responsible for monitoring progress toward targets, managing reporting

and auditing processes and developing the Company's sustainability strategy and plans.
Corporate Communications and Sustainability Executive Leader's responsibilities also include strengthening the sustainability team's structure, improving business processes, and ensuring compliance with sustainability regulations. Strategic plans and investments with a timeline longer than one year are reviewed at the beginning of the year by both the Sustainability Hub and the Corporate Communications and Sustainability Executive Leader to ensure they are integrated into the sustainability team's business plan.

The Maintenance Strategies Leadership team contributes to climate risk management by tracking resource consumption in operational processes. This includes the collection and monitoring of data related to water, electricity, natural gas, and carbon emissions.

In addition, technical teams support climate risk management by continuously monitoring upcoming regulations and keeping relevant departments informed.

Remuneration Processes

In line with its operating principles, the Remuneration Committee is responsible for determining and overseeing remuneration recommendations for Board members and senior executives, taking into account Ford Otosan's long-term objectives. The Committee determines the remuneration criteria, which are tied to the performance of the Company and the Executive Committee members. The Committee establishes remuneration criteria tied to both Company and individual performance and submits its recommendations to the Board of Directors to the extent these criteria have been met. The Committee convenes as often as required to fulfill its responsibilities.

In 2024, the Remuneration Committee focused on defining remuneration policies for Board members and senior executives that align with the Company's long-term goals and sustainable growth strategy, developing performance-based remuneration systems, conducting all remuneration processes in accordance with the principles of transparency and fairness.

At Ford Otosan, the remuneration system for the Board members and senior executives is determined according to the Remuneration Policy for the Board of Directors and Executive Management. The fixed salaries of the Board members are approved by the General Assembly annually and disclosed publicly. On the other hand, the salaries of the senior executives consist of two components: fixed and performance based. The fixed salaries of senior management are determined in alignment with international standards and legal obligations by considering the macroeconomic conditions, prevailing market practices, the company's scale and long-term targets, and the respective positions of the individuals.

In line with its "Future. Now" sustainability strategy and long-term climate targets, implemented in line with its corporate strategy, Ford Otosan has integrated climate- related issues into its senior management performance appraisal system.

The remuneration system, regulated under the **"Remuneration Policy for the Board of Directors and Executive Management"**, includes fixed and performance-based components.

The performance-based bonus is based on two components: company performance and individual performance. Employees in the Sustainability Working Group, including Ford Otosan Leader and senior executives, are evaluated based on key performance indicators (KPIs) determined in accordance with sustainability policies and strategies. For 2024, up to 25% of individual performance-based criteria for senior executives are tied to sustainability-related objectives, with up to 12% specifically linked to climate change-related targets. This framework continues to evolve.

The year-end bonuses and pay raises for all the employees are determined by considering these performance indicators. Performance appraisals are conducted based on business results and the methods applied to achieve them. Employees subject to disciplinary action are reviewed, and those affected may not be considered in the promotion and career progression processes for a year.

In 2024, the following climate-related criteria were incorporated into executive management's performance scorecards: achieving carbon emission reduction targets, compliance with the EU Carbon Border Adjustment Mechanism (CBAM), and integration of sustainability performance into purchasing processes. In addition to climate-related metrics, other performance evaluation criteria included investments in solar power plants, use of recycled materials, product lightweighting initiatives, digitalization of the supply chain, digital data management, and earthquake preparedness and risk management within the supply chain.

RISK MANAGEMENT

Risk Management

Evaluation Process of Risks and Opportunities

Ford Otosan manages risks and opportunities in alignment with the ISO 31000 Risk Management System, aiming to anticipate, assess, and monitor potential risks that may affect the Company and its subsidiaries. This approach ensures that risks are addressed in line with the Company's strategic goals and objectives and supports the development of appropriate action plans for risk mitigation and crisis response. Risk management processes cover all operations of Ford Otosan and its subsidiaries.

The Early Determination and Management of Risk Committee is responsible for the early identification, assessment, and management of all risks that could endanger the existence, growth, and continuity of Ford Otosan and its subsidiaries. The Committee convenes four times a year to assess strategic, operational, financial, sustainability, technology and innovation, external environmental, reputation, and legal compliance risks across all facilities. Composed of 33% independent members, the Committee advises the Board of Directors by providing expert guidance and recommendations, ensuring effective oversight of sustainability- related risk management.

The Committee evaluates the Ford Otosan Risk Management System and risk reporting principles, reviews the periodic Risk Reports and the Risk Management System, offers its opinions on corrective actions for any areas that fall outside the system's risk limits, and oversees the implementation of the practices in the relevant departments responsible for risk management in accordance with committee decisions. In addition to evaluating information security practices, the Committee also monitors compliance risks, oversees related activities, and assesses sustainability risks.

Risk-related activities, including the identification, evaluation, and tracking of strategic, operational, financial, compliance, reputational, technological, and external risks, are carried out by the Corporate Risk Management Leadership, which reports directly to the Finance Platform Area Leadership and presents its findings to the Risk Committee.

The risk management system is deployed company-wide and integrated into all business processes. Risk coordinators from each department are responsible for coordinating and executing risk-related actions under the direction of the Corporate Risk Management Department. These coordinators meet regularly with senior department managers and leadership to discuss risks and opportunities. Emerging risks are proactively monitored, and their long-term potential impacts on Ford Otosan are assessed.
Updates are regularly shared with Ford Otosan leaders through the Early Determination and Management of Risk Committee. The risk management system also addresses long-term and emerging risks. Within this framework, risks are systematically identified, root cause and impact analyses are conducted, controls are defined, and mitigation actions are planned. Each risk is assessed based on its impact and probability, using a 5x5 Impact and Probability Matrix, with the impact evaluated via the Impact Level Measurement Table. Opportunities are identified in connection with the Company's risk assessments. Those that exceed the defined financial threshold are reported to the Early Determination and Management of Risk Committee. Risks and opportunities falling under the scope of the Turkish Sustainability Reporting Standards (TSRS) are determined using the same methodology.

As part of its Enterprise Risk Management (ERM)system, Ford Otosan systematically identifies sustainability- and climate-related risks, conducts root cause and impact analyses, defines relevant controls, and implements mitigation actions based on their assessed impact and probability.

Risk assessment involves the classification and prioritization of analyzed risks. Each risk is ranked by process owners using the Impact Level Measurement Table, which evaluates the severity of both pre-action and post-action scenarios.

Impact levels are scored on a scale of 1 to 5, reflecting the potential magnitude of a risk event:

- **1 =** Insignificant: No injuries; short-term, non-permanent environmental impact
- **2 =** Minor: Short-term environmental impact and/or operational disruption lasting a few days
- **3 =** Moderate: Individual injuries and/or production or sales loss of less than one week
- **4 =** Major: One fatality or multiple injuries, long-term environmental impact, and/or production/sales loss of up to one week
- **5 =** Catastrophic: Multiple fatalities, long-term environmental impact, and total production or sales interruption for more than one week

These classifications are defined in the Impact Level Measurement Table.

Probability levels are also rated on a scale from 1 to 5, indicating the likelihood of occurrence:

- **1=** Rare
- **2=** Unlikely
- **3=** Possible
- **4=** Likely
- **5=** Almost Certain

These probability scores follow the definitions outlined in the Probability Level Measurement Table.

The overall risk value is calculated by multiplying the impact and probability scores, with results categorized as follows:

- **1-3** - Low
- **4-6** - Moderate
- **8-12** - High
- **15-25** - Extremely High

Impact and Probability Table

POSSIBILITY (OLASILIK)			IMPACT (ETKİ)				
			Insignificant 1 *(Önemsiz 1)*	**Impact Minor 2** *(Etki Küçük 2)*	**Moderate 3** *(Orta 3)*	**Major 4** *(Major 4)*	**Catastrophic 5** *(Feci 5)*
Almost Certain *(Neredeyse Kesin)*	5		M	H	E	E	E
Likely *(Olması Muhtemel)*	4		M	H	H	E	E
Possible *(Olabilir)*	3		L	M	H	H	E
Unlikely *(Muhtemel Olmayan)*	2		L	M	M	H	H
Rare *(Neredeyse İmkansız)*	1		L	L	L	M	M

L: Low Risk *(Düşük Risk)*
M: Moderate Risk *(Orta Risk)*
H: High Risk *(Yüksek Risk)*
E: Extreme Risk *(Aşırı Yüksek Risk)*

Low and medium-level risks are monitored by the designated process (risk) owner, who also evaluates potential opportunities for risk improvement.

For high and extremely high-level risks, the process owner is responsible for planning and implementing mitigation actions. These actions are reviewed and submitted to the Early Determination and Management of Risk Committee by the Risk Management Leadership.

Sustainability-related risks are assessed in detail, particularly in terms of their potential financial magnitude, and their impacts are calculated. The results of these evaluations are submitted to the Early Determination and Management of Risk Committee six times a year. Opportunities associated with these risks, linked to mitigation actions, are also monitored and reported annually to the Committee.

Opportunities are defined as:

- Benefits of mitigation actions (e.g., increased customer or employee satisfaction, cost savings, enhanced company value, or greater environmental and social contributions)
- Positive effects of mitigation efforts on other processes
- Opportunities emerging from newly identified threats or new business development efforts

The Sustainability Committee assesses sustainability risks and opportunities on a quarterly basis and reports its findings to the Board of Directors. The Committee monitors the management of environmental, social, and governance (ESG) risks and approves the required mitigation measures. The Board of Directors supervises the work of both the Sustainability Committee and the Early Determination and Management of Risk Committee, regularly reviewing their reports. Meeting outcomes are shared with all relevant stakeholders, ensuring transparency. Risk management activities are executed in collaboration with all departments and monitored through risk coordinators, ensuring that sustainability- related risks are effectively addressed and managed across the organization.

The Early Determination and Management of Risk Committee has been established to ensure the early detection of sustainability risks that may endanger the existence, development and continuity of the Company, to implement the necessary measures regarding the identified risks and to manage the risk.

The Committee evaluates the Risk Management System and risk reporting principles of Ford Otosan and its subsidiaries, reviews the periodic Risk Reports and the Risk Management System, offers its opinions on corrective actions for risks that exceed defined thresholds, and oversees implementation of mitigation measures by the responsible departments in accordance with Committee decisions

Ford Otosan conducts comprehensive risk assessments in areas such as climate change, employee engagement and development, diversity, human rights, and gender equality, and develops mitigation plans for associated risks.

In 2024, a total of 117 sustainability risks were identified across the Türkiye and Romania locations in collaboration with departments. The main categories of these risks include talent loss, climate change mitigation, environment, occupational health and safety, supply chain, external environment, technology/innovation, regulation, legal compliance, diversity and inclusion, and employee satisfaction. These risks were assessed throughout the year during departmental review meetings using a 5x5 impact -probability scale. A total of 18 risks were categorized as "High" or "Extremely High" and were reported to the Early Determination and Management of Risk Committee. Among these, three climate-related risks with financial impacts exceeding the defined threshold were identified, along with three related opportunities. However, since the financial impacts of these climate-related risks and opportunities could not be calculated for the 2024 reporting period, there will be no risk of adjustment in future disclosures based on retrospective reassessment.

Identifying and Prioritizing Risks and Opportunities

To identify material sustainability and climate-related topics, Ford Otosan incorporates guidance from the Task Force on Climate-related Financial Disclosures (TCFD) and applies a multifaceted approach that includes stakeholder analyses, impact assessments, external trends and sectoral peer studies in consideration of global developments, international standards, and stakeholder expectations, and alignment with the business strategies of its main shareholders Ford Motor Company and Koç Holding.

Through these evaluations, the Company determines its material environmental, social, and governance (ESG) topics and assesses their impact on operations from a financial materiality perspective. Financial impacts are analyzed using strategic and financial evaluations by Ford Otosan, Ford Motor Company, and Koç Holding, supported by insights from the Company's senior management, investors, and shareholders. Sustainability- and climate-related risks and opportunities are added to the corporate risk inventory, considering internal and external stakeholder input, international and local standards, including TSRS 2 Sector- Specific Implementation Guide, Automobile Industry Sector- Specific Standards, MSCI ESG Materiality Map, S&P Sustainability Index Criteria, and World Economic Forum (WEF) Global Risk Report.

The Company also evaluates the potential impacts and frequency of sustainability- and climate-related risks and opportunities on the environment, society, and the economy through departmental risk and opportunity review meetings. These meetings, held throughout the year, are conducted with senior department managers and risk officers under the coordination of the Risk Management Leadership.

In meetings throughout 2024, financial risks, supply chain risks involving local and international suppliers, and operational risks related to local dealers and Ford Trucks' international dealers were comprehensively assessed. The effectiveness of the mitigation actions and the resulting potential opportunities were also reviewed.

Additionally, the Early Determination and Management of Risk Committee was regularly updated on Ford Otosan's earthquake preparedness measures and the business continuity plans in place. Under the coordination of the Corporate Risk Management Leadership, which was formed in 2024, the Committee was briefed on the "Operational Risk Review" process. This process, developed in collaboration with the relevant departments, Internal Audit and Internal Control units, helped further integrate and strengthen the Company's risk management structure.

Scenario Analyses

Ford Otosan employs a variety of climate scenario models to assess the potential impacts of climate change on its operations and strategy. To evaluate transition risks, the Company uses the IEA STEPS (Stated Policies Scenario) published by the International Energy Agency (IEA). For physical risks, it refers to the RCP 2.6, RCP 4.5, and RCP 8.5 scenarios published by the Intergovernmental Panel on Climate Change (IPCC). These scenarios help identify emerging risks and inform the development of strategies aimed at minimizing their potential impacts.

Ford Otosan has aligned its short and long-term emission reduction targets with the IEA's Net Zero Emissions (NZE) scenario. These targets have been submitted to and verified by the Science-Based Targets initiative (SBTi).

To assess water-related risks, the Company uses the WRI Aqueduct tool. Based on the analyses, the Kocaeli and Sancaktepe facilities, located in the Marmara Basin, face high water stress (40–80%), while the Eskişehir Plant, located in the Sakarya Basin, is exposed to extremely high water stress (over 80%). On the other hand, the Craiova Plant in Romania is situated in an area with low water stress (less than 10%).

Transition risks are primarily concentrated in the supplier network and logistics operations across the value chain. To address these risks, Ford Otosan uses the IEA STEPS and IPCC (RCP 2.6, RCP 4.5, RCP 8.5) physical risk scenarios to inform its climate change and water risk management strategies. Risk mitigation priorities are established based on the potential impact of these risks on the Company's business model and value chain.

In response to transition risks, Ford Otosan is conducting research into alternative fuels to replace coal use at its Romanian facility and to eventually eliminate natural gas usage at other sites. A range of projects are underway to reduce operational energy consumption and increase the use of renewable energy. All facilities are engaged in energy efficiency initiatives and renewable energy investments, including installation of thermal walls, solar tracking systems, and solar power plants.

Scenario analyses are also used to identify potential opportunities, including those arising from the successful implementation of mitigation measures.

Risks and Opportunities

Ford Otosan aligned its strategic timeframes with those of its main shareholders in 2024, defining short-term as 0-5 years, medium- term as 5-10 years, and long-term as 10-15 years. The company classifies all climate-related risks and opportunities based on these timeframes and develops its strategic plans accordingly.

Table 2. Ford Otosan's Ciimate-Related Risk and Opportunity Timeframe

Ford Otosan's Climate-Related Risks

Risk Information	Risk Description	Impact on Cash Flow, Access to Financing and Capital Cost	Ford Otosan's Mitigation Actions	Impact on Strategy and Decision-Making Processes
Risk Type: Transition Risk **Risk Description:** Policy and Legal Risk - Carbon Pricing Mechanisms **Risk Term:** Short, Medium, Long **Risk Probability:** Possible **Risk Level:** High **Impact Type:** Anticipated **Risk Occurring in Country/Region:** Craiova Plant, Spare Parts Warehouses (Germany, Poland) **Impacted Value Chain** Upstream – Shipments **Anticipated Financial Impact:** Increase in Operating Costs	The EU Carbon Border Adjustment Mechanism (CBAM) Regulation entered into force in 2023, with a transition period ending in 2025. Ford Otosan's Craiova Plant conducts CBAM- compliant reporting for products arriving from outside the EU within the scope of Spare Parts Warehouses in Germany and Poland. Due to this risk, free allowances will be phased out starting in 2027 and will be completely eliminated by 2034.	The financial impact of transitioning to Carbon Pricing Mechanisms, with potential policy and legal risks due to climate change in the future, cannot be quantified because of calculation uncertainties related to probability, timing, and impact. In the short term, uncertainties regarding our suppliers' part-specific emissions calculations, unavailability of a clear carbon reduction roadmap, inaccurate supplier reporting, and increased CBAM certification costs represent a risk. However, this risk is not expected to have material financial impact. In the medium to long term, the financial impact is likely to increase due to expanding the scope of the regulation.	Sustainability indicators were incorporated into purchasing decisions in the first quarter of 2025. Ford Otosan procures consultancy services from third parties to guide its suppliers and reporting. The Company raises awareness of its suppliers on CBAM by organizing training programs. Suppliers' sustainability performance is monitored with surveys and audits conducted through the Supplier Sustainability Assessment and Development Program. Work is ongoing on temporary exports of packaging materials from the Ford Otosan Craiova Plant. Therefore, regulatory reporting will not be required for packaging materials. The Company plans to develop a tracking mechanism to track material movements in temporary exports. Suppliers' sustainability performance is also monitored through efforts to achieve Scope 1 and Scope 2 carbon neutrality across the supply chain by 2035.	As of 2025, sustainability metrics have been incorporated into supplier selection criteria in purchasing processes. Non-compliant suppliers with are monitored by requesting action.

Ford Otosan's Climate-Related Risks

Risk Information	Risk Description	Impact on Cash Flow, Access to Financing and Capital Cost	Ford Otosan's Mitigation Act ions	Impact on Strategy and Decision-Making Processes
Risk Type: Physical Risk **Risk Description:** Chronic Physical Risk - Water Stress **Risk Term:** Short, Medium, Long **Risk Probability:** Possible **Risk Level:** Moderate - High **Impact Type:** Anticipated **Risk Occurring in Country/Region:** Türkiye **Impacted Value Chain:** Direct Operations – Production Upstream Supplier's Production **Anticipated Financial Impact:** Reduction in Production Capacity and Revenue Loss	Due to climate-related negative impacts on water resources in the locations where the Company operates, water withdrawal may be at risk of decreasing or depletion. To assess water-related risks, the Company uses the WRI Aqueduct tool. Based on the analyses, the Kocaeli and Sancaktepe facilities, located in the Marmara Basin, face high water stress (40–80%), while the Eskişehir Plant, located in the Sakarya Basin, is exposed to extremely high water stress (over 80%). The Craiova Plant in Romania is situated in an area with low water stress (less than 10%). WRI Aqueduct's Global Water Risk Mapping Atlas projects that, under a moderate (2ºC and above) scenario, water supply in the regions where both the Gölcük and Yeniköy facilities are located will decrease by approximately 20% by 2040 compared to current water supply levels. Water demand is expected to increase by over 40% compared to 2010 levels.	The financial impact of potential chronic physical water stress risks due to climate change in the future cannot be quantified because of calculation uncertainties related to probability, timing, and impact. The short and medium-term financial impact of the risk has been analyzed in detail. A financial impact is anticipated to stem from the risk of reduced production capacity and disruption of supply shipments due to water stress in the regions where the Company and its suppliers operate. Planned water projects are anticipated to have a lower financial impact in the long term compared to short and medium-term impact.	Ford Otosan has developed a Water Supply Action Plan to address drought risks. Using WRI Aqueduct's Global Water Risk Mapping Atlas, which maps future water risks, the water stress risk levels for Ford Otosan locations in Türkiye and Romania were identified. Using the tool, Ford Otosan identifies flood and drought-prone areas and water- stressed areas. The potential risks these areas pose on operations are identified, and strategies are developed to address these risks. Ford Otosan has completed a feasibility study for reverse osmosis (RO) and ultrafiltration (UF) systems at its facilities. The feasibility of methods such as seawater intake, RO and UF treatment, storage, and distribution to process and auxiliary operations to provide an alternative water source is being evaluated. Water is recycled in cooling towers at the Gölcük and Yeniköy plants, while water is recycled by reverse osmosis at the Yeniköy plant. Feasibility studies are ongoing for a new wastewater treatment facility in Eskişehir, planned to launch in 2025. A remote well water level monitoring project, commissioned in 2024, began digitally monitoring the water supply at the water-stressed Eskişehir plant. To align with the Ford Europe Global Water Ambition and the Koç Group Environmental Strategy, the water recovery projects implemented at the Gölcük, Yeniköy, and Eskişehir Plants aim to reduce fresh water use per vehicle by 40% by 2030, compared to the 2019 baseline. As part of this target, metrics for water withdrawal and recycled water are monitored and reported. Ford Otosan prioritizes capacity expansion and new investment plans at its Türkiye locations based on water stress risk. Activities related to water stress are monitored by the Sustainability Committee.	The priority of capacity increases at the plants in Türkiye and new investment may change. The Sustainability Committee oversees all relevant activities.

Ford Otosan's Climate-Related Risks

Risk Information	Risk Description	Impact on Cash Flow, Access to Financing and Capital Cost	Ford Otosan's Mitigation Act ions	Impact on Strategy and Decision-Making Processes
Risk Type: Transition Risk **Risk Description:** Reputation and Market Risk - Liability Due to Non-Compliance with Laws **Risk Term:** Short, Medium, Long **Risk Probability:** Possible **Risk Level:** Moderate - High **Risk Occurring in Country/Region:** Türkiye, Romania and Spare Parts Warehouses (Germany, Poland) **Impacted Value Chain:** Downstream – International Distribution Upstream – Shipment **Anticipated Financial Impact:** Revenue and Reputation Loss Due to Supply Disruption	Compliance with sustainability regulations (EU Battery Regulation, EU Deforestation Legislation, EU Corporate Sustainability Due Diligence Directive) encompassing the new supply chain is crucial. For suppliers within this scope, there is a risk that due diligence analysis from an environmental and human rights perspective will not be conducted, and the data required for product declarations will not be collected. By 2025, products may potentially not be cleared at the customs because of failure to submit the necessary documentation at every border crossing and failure to obtain the relevant declaration from the supplier, which will negatively impact production.	Due to uncertainties in calculating the probability, timing, and impact of the potential future climate change-related transition risk, the financial impact of the risk cannot be quantified. Possible impacts of the risk include monetary fines for failing to meet regulatory requirements, sanctions for products being unable to clear customs at the EU border causing spare parts shipments to stop, production disruptions, financial losses, reputational and brand damage. As part of compliance with the EU Battery Regulation, all products sold to the EU are expected to fulfill their duty of care across the supply chain. The short, medium and long-term financial impact of this risk has been analyzed in detail. In the short term, exports to the EU are expected to be negatively impacted due to the risk of suppliers' failure to fully comply with these regulations. The financial impact of regulatory compliance risk stemming from revenue loss and/or supplier changes could likely be greatest in the short term but lessen in the medium and long term.	A strategic focus is managing these risks in the supply chain through supplier sustainability development and audits. A Supplier Sustainability Committee, established within the company, oversees all relevant activities. The sustainability performance of all critical suppliers subject to the regulations, along with development areas identified through the Human Rights Due Diligence study and actions are monitored. The Company aims for carbon neutrality in Scope 1 and Scope 2 emissions across its supply chain and its logistics operations by 2035. Under EU Deforestation Legislation, a declaration must be submitted documenting that the product was produced without causing deforestation. Failure to provide this declaration poses the risk of halting production at the Ford Otosan Craiova Plant because the products will not be cleared through customs and penalties may be imposed. Penalties may also be imposed for the spare parts warehouses in Germany and Poland. Since parts supply for products not reported for deforestation will be held up at customs, the cost of production for vehicle models planned for short and medium-term supply and resulting lost sales are factored in. Suppliers subject to the regulation have been identified, and information is collected from suppliers to confirm that their production processes do not cause deforestation. Training has been organized for local suppliers, and efforts are underway to gather information from suppliers for the Ford Otosan Craiova Plant. In 2024, a human rights due diligence study was conducted by including employees across the supply chain. The Company is updating its Supplier Code of Conduct and measuring the sustainability performance of all its critical suppliers with surveys on business ethics and human rights. The Ford Otosan Sustainability Committee provides training on this topic, shares Ford Otosan's best practices, and conducts on-site audits of a select number of suppliers as part of its business ethics audits. Due to the latest postponement, the Company will be subject to the EU Corporate Sustainability Due Diligence Directive in 2029. Work is ongoing to align with the EU Battery Regulation. A governance model has been established within the company to monitor Battery Regulation requirements, and efforts are underway to revise existing policies to meet the expectations of this regulation. As the Company continues to prepare for carbon footprint calculations and declarations specified in the Battery Regulation, an LCA was conducted for the battery of the Ford E-Transit, the first all- electric van produced in Türkiye. This assessment identified hot spots at the cell, module, and pack levels that impact battery carbon footprint. Ford Otosan is not subject to the EU Battery Regulation in the current calendar year.	Suppliers' sustainability development and monitoring have become a strategic focus. A Supplier Sustainability Committee has been established as part of the governance framework. The Sustainability Committee oversees all relevant activities.

Ford Otosan's Climate-Related Opportunities

Opportunity Information	Opportunity Description	Impact on Cash Flow, Access to Financing and Capital Cost	Ford Otosan's Act ions	Impact on Strategy and Decision-Making Processes
Opportunity Description: Energy Source – Using Renewable Energy Sources **Opportunity Term:** Short, Medium **Opportunity's Probability:** Very Likely **Opportunity Level:** Medium – High **Impact Type:** Realized **Opportunity Arising in Region/Country:** Türkiye and Romania **Impacted Value Chain** Direct Operations – Production **Anticipated Financial Impact:** Market Advantage and Decrease in Costs	The Company aims to gain market advantage by aligning early with the SBTi-approved target of becoming net-zero by 2050. Cost reductions and access to green loans and funds through renewable energy investments (rooftop solar power plants, photovoltaic walls, and land-based solar power plants) exempt from pricing or taxation of potential carbon-based raw materials (such as coal and natural gas) represent an opportunity.	In the short and medium term, the financial impact of future climate change technology transition opportunities cannot be quantified due to uncertainties in calculating their probability, timing, and impacts. In the short term, financial advantages are anticipated from exemptions from future pricing and taxation for non-renewable resource consumption. In the medium term, increased access to new financing sources and positive reputational impacts could bring financial advantages, as they support our near-term SBTi target.	As a focus of its "Future. Now" sustainability strategy, Ford Otosan has prioritized renewable energy investments in its short and medium-term plans. The Sustainability Committee oversees all relevant activities. The Ocaklı and Köprülü Village solar power plant investments in Afyonkarahisar, with a total installed capacity of 10 MW on 145-hectare site, completed the first phase in 2024. The Hasandede and Çiçektepe solar power plant projects in Afyonkarahisar, with a total installed capacity of 6.1 MW, are planned to be commissioned in 2025. The Aydıncık-1 and Aydıncık-2 projects in Kütahya, with a total installed capacity of 5.9 MW, totaling 22 MWh, are planned to be commissioned in 2026. Ford Otosan aims to reduce its Scope 1 and Scope 2 greenhouse gas emissions by 77% by 2034, including its locations in Türkiye and Romania, compared to the 2017 baseline, and to reach net-zero emissions across its entire value chain by 2050. Scope 1, Scope 2, and Scope 3 emissions, along with renewable energy generation capacity metrics, are monitored and reported as part of this target. In 2024, a total of 150 energy efficiency projects were implemented to support the SBTi target, resulting in TL 105,100,000 of savings and avoiding 16,100 tons of CO_2e in greenhouse gas emissions. In line with the carbon and water management roadmap, Ford Otosan and its subsidiaries have implemented environmental and energy projects such as solar power plants, thermal walls, and energy efficiency projects using their own resources. In 2024, solar power plant investments amounted to TL 260,000,000. Ford Otosan participates in various internationally funded projects to reduce its product carbon footprint. Resources are allocated from equity for these risks and opportunities, with the exception of low-carbon technology studies specifically for the products. Low-carbon product development projects are supported by EU funds such as Horizon 2020 and Horizon Europe, as well as foundation, academic, and similar grants.	As a key focus of the sustainability strategy, using renewable energy sources has become a material topic. The Sustainability Committee oversees all relevant activities.

Ford Otosan's Climate-Related Opportunities

Opportunity Information	Opportunity Description	Impact on Cash Flow, Access to Financing and Capital Cost	Ford Otosan's Act ions	Impact on Strategy and Decision-Making Processes
Opportunity Description: Resource Efficiency - Reduction of Water Use and Consumption **Opportunity Term:** Short, Medium **Opportunity's Probability:** Very Likely **Opportunity Level:** Moderate - High **Impact Type:** Anticipated **Opportunity Arising in Region/Country:** Türkiye (Marmara Basin and Sakarya Basin) **Impacted Value Chain:** Direct Operations - Production Upstream - Supplier's Production **Anticipated Financial Impact:** Operating Cost Reduction and Resource Efficiency	The Company aims to reduce water dependency in operations through efficiency initiatives. The opportunity involves effective management of water stress risk and reduction in direct costs.	In the short and medium term, the financial impact of climate change adaptation opportunities stemming from reducing future water use and consumption cannot be quantified due to uncertainties in calculating the probability, timing, and impacts. In the short term, the goal is to meet water targets, gain reputation, and facilitate easier access to financing. In the medium term, investments in water recovery and efficiency projects could reduce dependence on water resources and deliver cost advantages.	Ford Otosan has prioritized water efficiency in its investment plans as a focus of its "Future. Now" sustainability strategy. The Sustainability Committee oversees all relevant activities. To align with the Ford EU Global Water Ambition and the Koç Group Water Stewardship Strategy, the Company aims to reduce freshwater consumption per vehicle by 40% by 2030 through water recovery projects at the Gölcük, Yeniköy, and Eskişehir Plants. Metrics for water withdrawal and the amount of water recovered are monitored and reported within this target. Wastewater treatment systems were launched at the Gölcük and Yeniköy plants in 2024, recycling domestic and chemical wastewater, backwash water, and cooling tower blowdown water for use in production. Greywater treatment systems at the Yeniköy plant are likely to exceed this target. As part of the wastewater treatment plant renovation at the Eskişehir facility, feasibility studies are underway for an investment that will deliver 40% water recovery. Water is reused with closed-circuit cooling towers, and water usage is optimized with detailed water mapping projects covering water consumption points across all facilities.	As a key focus of the sustainability strategy, reducing water use and consumption has become a priority in investment plans. The Sustainability Committee oversees all relevant activities.

Ford Otosan's Climate-Related Opportunities

Opportunity Information	Opportunity Description	Impact on Cash Flow, Access to Financing and Capital Cost	Ford Otosan's Actions	Impact on Strategy and Decision-Making Processes
Opportunity Description: Markets – Stronger Engagement with the Supply Chain **Opportunity Term:** Short, Medium **Opportunity's Probability:** Very Likely **Opportunity Level:** Moderate - High **Impact Type:** Anticipated **Opportunity Arising in Region/Country:** Türkiye and Romania **Impacted Value Chain** Upstream - Raw Material, Supplier's Production, Shipment **Anticipated Financial Impact:** Increased Revenue Due to Access to New Markets	Compliance with new sustainability regulations across the supply chain is crucial. Ford Otosan, through its strong supplier relationships, encourages its suppliers to improve their sustainability performance through training and audits before new regulations take effect, and designs incentives by understanding their needs.	In the short and medium term, the financial impact of strong engagements with the supply chain as part of adaptation to future climate change cannot be quantified due to uncertainties in calculating their probability, timing, and impacts. The opportunity could facilitate the realization of strategic objectives, strengthen market position, and increase revenues through access new markets. In the short term, the potential cost of supplier changes could be mitigated through regulatory compliance advantages. In the medium term, Ford Otosan plans to align with its 2035 supply chain target and access financing.	Ensuring sustainability development and auditing suppliers have become a strategic focus. The Sustainability Committee oversees all relevant activities. A Supplier Sustainability Committee was formed in 2023 to mitigate the risk of the supply chain's sustainability transformation, and six-month, one-year, and two-year roadmaps have been established. The Committee plans to continue providing supplier training (ethics and talent management, environmental best practices, LCAs, supply chain management in financing, Science-Based Targets, and digital solutions for energy efficiency) and conduct annual sustainability performance measurement surveys for critical suppliers (production and logistics suppliers). Sustainability metrics were added to the supplier selection criteria in the first quarter of 2025. Accordingly, compliance-related activities are planned for suppliers that do not meet sustainability requirements. Regarding this opportunity, the ratio of suppliers with "good" sustainability performance, i.e., not "at risk," the development areas in the Human Rights Due Diligence study and the actions taken are monitored and reported. The sustainability performance of suppliers is also monitored toward the target of becoming Scope 1 and Scope 2 carbon neutral in the supply chain by 2035.	Supplier sustainability development and monitoring have become a strategic focus. A Supplier Sustainability Committee has been established within the governance framework. The Sustainability Committee oversees all relevant activities.


STRATEGY

Strategy

Climate-Related Risks and Opportunities

At Ford Otosan, sustainability- and climate-related risks and opportunities are managed through a value creation approach that considers diverse areas of impact. These risks and opportunities are integrated into the corporate risk management system, and a sustainability-focused perspective informs all key decision-making processes, supported by the investor relations, risk management, and finance functions. In developing new operations and products, the Company applies sustainable design principles, prioritizing both the reduction of environmental impact and the advancement of innovative technologies to deliver next-generation mobility solutions. The Company's focus on zero-emission vehicles and complementary services reflects its commitment to conserving natural capital, improving water and energy efficiency in operations, and preventing waste at the source. Within the framework of a social capital approach, Ford Otosan actively collaborates with its dealer and supplier network to enhance performance across the value chain and support stakeholders in their respective transformation processes. With increased production capacity, Ford Otosan has positioned itself as an industry leader in electrification, combining efforts to reduce environmental impact with the acceleration of technological innovation. The Company also aims to generate economic value through robust growth strategies and strategic investments, while ensuring that environmental and social responsibilities are embedded in all business activities. Ford Otosan also promotes employee satisfaction, leadership development, and a strong corporate culture through people-centric transformation strategies.

Business Model and Value Chain

As outlined in the 5x5 matrix (see page 13), climate-related risks and opportunities classified as "High" and "Extremely High" are evaluated on a quarterly basis by the Sustainability Committee, in alignment with the sustainability strategy approved by the Board of Directors. These assessments inform the Company's annual business plans, investment decisions, and project prioritization processes.

To address the identified risks and opportunities, particularly those related to climate change, supply chain resilience, and information security, Ford Otosan is developing social, environmental, economic, and governance policies. These policies are embedded into departmental business plans and operational decision-making processes. Guided by the "Future. Now" vision, Ford Otosan seeks to achieve its sustainability goals through a broad, collaborative ecosystem involving its stakeholders. The Company's sustainability strategy is reviewed and updated annually.

Key long-term risks for Ford Otosan include chronic water stress and drought linked to climate change, non-compliance risks associated with carbon pricing mechanisms across the supply chain, and regulatory risks related to evolving due diligence obligations under major EU regulations, such as the Corporate Sustainability Due Diligence Directive, the EU Deforestation Regulation, and the Battery Regulation. These risks have the potential to significantly impact the business model and value chain by increasing operational costs and disrupting production and supply processes. At the same time, several opportunities are being identified and leveraged, including Improved energy and resource efficiency, reduced carbon emissions, supplier diversification, and a competitive advantage driven by sustainability performance. By evaluating these risks and opportunities holistically, Ford Otosan aims to enhance the resilience of its business model and foster sustainable growth across its value chain. The expected and potential impacts of climate-related risks and opportunities with financial implications above the defined threshold are detailed in **Table 3** and **Table 4** the "Risks and Opportunities" section of this report.

In terms of its product portfolio, Ford Otosan continues to address environmental risks by focusing on zero-emission vehicles and electric mobility solutions.

To support supply chain transformation, the Supplier Sustainability Committee was established in 2024. This committee facilitates early supplier compliance with evolving sustainability regulations and supports risk mitigation across the value chain.

Throughout the reporting year, Ford Otosan provided training on sustainability regulations, carbon transition and management, energy and water efficiency, and circular economy principles. In addition, best practices were shared, and field audits were conducted at critical supplier sites.

Strategy and Decision-Making

Guided by its "Future. Now" sustainability vision, Ford Otosan develops strategies to build resilience, foster adaptation, and manage risks associated with the impacts of climate change. The Company systematically incorporates sustainability-related risks and opportunities into its strategic planning and decision-making mechanisms. By setting short, medium and long-term targets across key focus areas such as carbon transition, waste management, circular economy, and water stewardship, Ford Otosan strengthens its resilience to climate-related risks. Identified sustainability risks and opportunities are regularly reviewed by the Sustainability Committee. These assessments guide the Company's annual business plans and investment priorities and inform the necessary actions. Policies developed in critical areas such as climate change, environmental impact, and supply chain resilience are implemented by the relevant business units and integrated into operational processes. In alignment with its overarching strategy, Ford Otosan conducts an annual review of sustainability risks and opportunities, with plans to update the strategy as new and emerging risks arise. Sustainability targets are embedded into the Company's overall strategy and monitored from a short , medium and long-term perspective. Through the development of collaborative and innovation-driven projects, Ford Otosan aims to drive sustainable transformation throughout its entire value chain.

Strategy and Decision-Making

Sustainability performance is communicated to the Board of Directors via regular reporting, enabling a proactive approach to strategic action when needed. Details regarding Ford Otosan's actions on climate-related risks and opportunities, as well as its strategic and decision-making processes, are provided in **Table 3** and **Table 4** in the "Risks and Opportunities" section of this report.

In 2024, Ford Otosan successfully piloted the use of green steel in collaboration with its supplier Hyundai Steel, as part of its commitment to expanding low-carbon solutions across the supply chain and combating climate change. As part of its logistics strategy, the Company transitioned transport operations between Craiova, Romania, and Istanbul, Türkiye, from road to rail, resulting in a 63% reduction in emissions. Plans are also in place to replace road transport vehicles with electric and alternative fuel options to further reduce emissions. In alignment with the Science-Based Targets initiative (SBTi), Ford Otosan updated its short and long-term emissions reduction targets in March 2024 to limit global warming to 1.5ºC. The approval process for these revised targets was successfully completed in the first quarter of 2025.

To support sustainable transformation and risk mitigation across its supply chain, the Supplier Sustainability Committee continued its efforts, addressing a broad range of topics, including ethics and talent management, environmental best practices and life cycle assessments (LCA), sustainable supply chain financing, Science-Based Targets and emissions tracking, digital solutions for energy efficiency, and digital tools for monitoring sustainability performance. Throughout 2024, the Committee organized training programs on environmental, social, governance, and ethics topics, and met quarterly with critical suppliers to review progress on the six-month, one-year, and two-year ESG roadmaps developed in 2023, encouraging the exchange of best practices.

In addition, Ford Otosan conducted a sustainability performance measurement survey across its logistics suppliers, providing them with comparative feedback against average supplier performance. Logistics suppliers also participated in Supplier Sustainability Committee trainings. In the first quarter of 2025, Ford Otosan incorporated sustainability metrics into its supplier selection criteria. As part of its climate action efforts, the Company invested in several transition opportunities, including photovoltaic glass walls, rooftop and land-based solar power plants (SPPs), thermal wall applications, and air leak detection systems. These initiatives were implemented across various plant locations in 2024.

To address water stress and drought risks, Ford Otosan advanced its five-year drought scenario analyses, initiated in the summer of 2023. These included basin-specific status assessments, groundwater availability projections, declarations by legal authorities, and development of short, medium and long-term water supply plans.

The Company had set a goal of mitigating the risk of water resource depletion by 2024, aiming to have all facilities inspected, consider water consumption points, and create a mass balance- based water map for areas where water is used and wastewater is generated. The Water Mapping Project was completed for the Kocaeli locations, methodology development for implementing internal water pricing is underway. Additionally, investments have been initiated in water treatment at the Gölcük Plant, and in a graywater treatment system and wastewater treatment capacity expansion at the Yeniköy Plant.

Financial Position, Financial Performance and Cash Flows

The impact of climate-related risks and opportunities on Ford Otosan's cash flows, access to finance, and cost of capital is described in detail in **Table 3** and **Table 4** in the "Risks and Opportunities" section of this report.

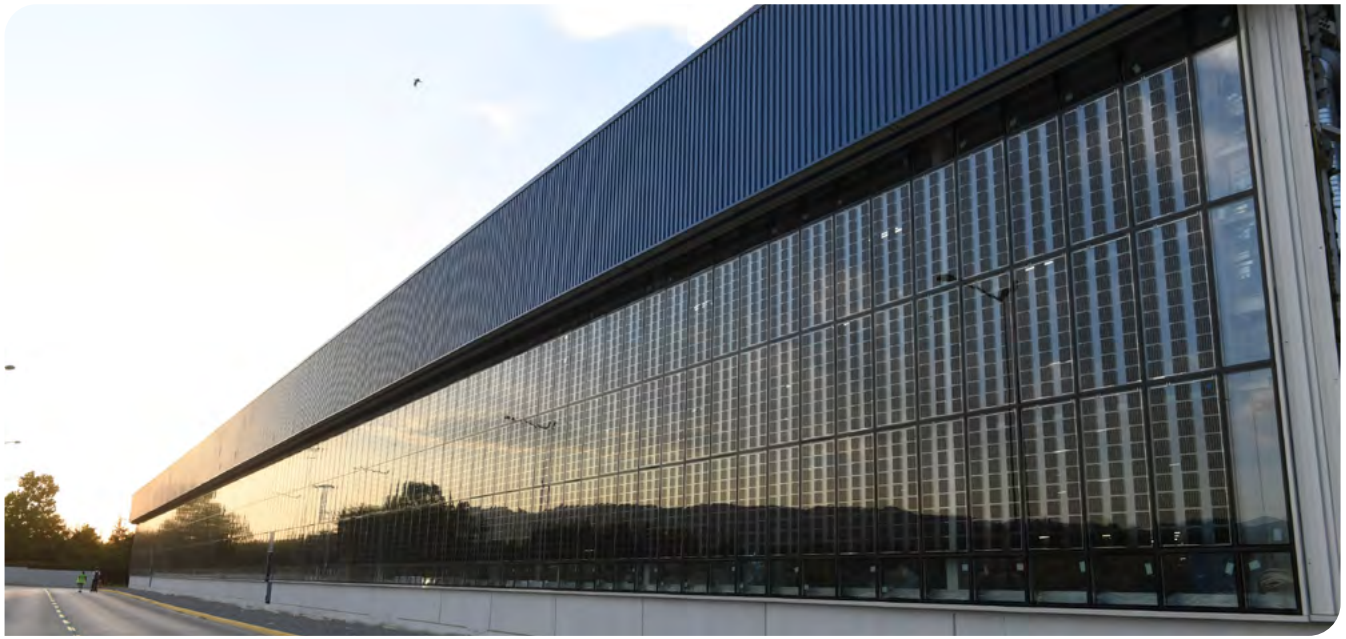
Climate Resilience

Within Ford Otosan's risk management system, risks are categorized and monitored across strategic, operational, financial, legal, sustainability (ESG), technology and innovation and external environmental risk dimensions.

The Company continuously evaluates the adequacy and flexibility of its financial resources to respond to climate-related risks and opportunities. Ford Otosan primarily utilizes equity as a funding source for its climate resilience and sustainability initiatives. Key investments using equity resources include consultancy services and training programs to support risk management for the Carbon Border Adjustment Mechanism (CBAM), water action plans and graywater recovery projects to mitigate water stress risks, solar power plant projects to expand the use of renewable energy, and supplier training programs and supply chain audits to ensure compliance with sustainability-related requirements. To enhance engagement across the supply chain, Ford Otosan uses its internal resources to provide supplier trainings, conduct supplier performance measurement surveys, and actively takes part in the Supplier Sustainability Committee's activities. Ford Otosan also participates in internationally funded projects aimed at reducing product carbon footprints and establishing strategic collaborations for climate action.

A scenario analysis conducted in 2022, in collaboration with other Koç Group companies and under the leadership of Koç Holding, evaluated extreme climate events by location and analyzed the level of climate resilience. In a subsequent scenario analysis conducted in 2024, again under the coordination of Koç Holding, extreme climate events were scored based on geographic exposure, and water dependency was analyzed.

Ford Otosan applies multiple scenario models to evaluate the impacts of climate change and conducts its scenario analyses in accordance with the goals of the Paris Agreement.



By using nationally and internationally recognized models and incorporating insights from multiple sources, the Company aims to enhance its resilience to climate change-related uncertainties, improve the accuracy of its future risk assessments, and develop strategies to minimize the impact of climate-related risks.

Ford Otosan's scenario analyses incorporate global and operational regulations alongside national and regional variables. These evaluations cover short and medium-term expected risks and consider a wide range of factors, including precipitation and water stress maps, temperature fluctuations (extreme heat/cold), natural disasters (floods, hurricanes, fires), rising sea levels, and carbon pricing mechanisms and taxes.

Scenario analyses are used to examine both risks and opportunities. These include fossil fuel use as a compliance-related transition risk across operations and the supply chain and renewable energy use as an opportunity to expand access to cleaner energy sources.

To assess these scenarios, the Company uses a combination of tools and frameworks. The IEA STEPS scenario (International Energy Agency) is used to evaluate CBAM risk, supply chain compliance with sustainability regulations, and transition risks. The WRI Aqueduct tool supports the identification and evaluation of physical water-related risks. The IPCC's RCP 2.6, RCP 4.5, and RCP 8.5 scenarios are used to map flood and drought risk zones and water-stressed areas for 2030 and 2050, compared to the 2020 baseline.

Climate Resilience

Based on scenario analyses conducted, CBAM risks were identified at the Ford Otosan Craiova Plant and Spare Parts Warehouses in Germany and Poland. Water stress risks were identified at all operational locations in Türkiye. Supply chain compliance risks were observed across Türkiye, Romania, and the Spare Parts warehouses in Germany and Poland. Identified climate-related opportunities include increased use of renewable energy and enhanced supply chain engagement at sites in Türkiye and Romania along with water conservation and efficiency opportunities in Marmara Basin and Sakarya Basin in Türkiye.

To strengthen resilience to the impacts of climate change and to manage climate risks and opportunities identified through scenario analyses, Ford Otosan is transforming its operations and assets in line with sustainability principles. The Company's business model and strategy are designed to withstand sustainability-related risks, with a focus on climate change, water stress, transition risks, and supply chain vulnerabilities. An integrated risk management approach supports the monitoring and mitigation of these risks. Ford Otosan closely tracks water, electricity, natural gas, and steam consumption as well as resulting carbon emissions, monitored on a location-specific basis. The Maintenance Strategies Leadership team collects and monitors relevant data. Performance progress against the strategy is reviewed by the Environmental Leadership and the Sustainability Committee, while technical teams follow regulatory developments and inform relevant departments to initiate necessary actions.

To reduce environmental impacts, the Company implements operational practices to increase water and energy efficiency, prevent waste at the source and reduce carbon emissions.

In line with the Carbon Transition Roadmap, Ford Otosan aims to transition its product portfolio to zero-emission vehicles and achieve carbon neutrality in Scope 1 and Scope 2 emissions across supplier operations and logistics by 2035. To mitigate climate impacts, the Company aims to reduce its production- related footprint through renewable energy investments, including solar power plant (SPP) projects commissioned in 2024, with the goal of reaching 22 MWh installed capacity by 2026.

In this context, Ford Otosan prioritizes investments in energy- efficient systems, process improvements, and facility modernization to lower carbon intensity in production.

Projects such as solar light tubes, thermal wall systems, and air leak detection applications help reduce energy loss, while land-based and rooftop SPPs integrate renewable energy into production sites.

The Company is implementing additional projects to reduce energy consumption in its operations and utilize renewable energy sources. In the latter half of 2025, the company plans to launch other energy efficiency projects, including the installation of a rooftop solar power plant at the Sancaktepe R&D building and thermal wall systems at the Gölcük and Yeniköy Plants, aiming to achieve a minimum of 10% energy efficiency across all locations.

Climate Resilience

In anticipation of a potential increase in renewable energy prices next year, Ford Otosan began reducing its reliance on external energy sources by investing in solar power plants in 2024. These investments not only lower the Company's carbon footprint but also contribute to reducing energy costs. Aligned with its transition to electric vehicle (EV) production, Ford Otosan has made significant investments in production line infrastructure upgrades, battery assembly systems, high-voltage systems, and cooling infrastructure. Additionally, the Company is implementing digital energy management systems to monitor production operations in real time and optimize resource utilization.

The Company's sales are largely made to Ford Motor Company (FMC) with an average maturity of 14 days, enabling Ford Otosan to maintain a strong position in liquidity management. In this context, Ford Otosan's business model itself presents opportunities in terms of liquidity management (and the extent of its receivables risk). This advantage supports the Company's ability to fund current and future investments aimed at managing climate-related risks and opportunities.

As part of its climate resilience strategy, Ford Otosan evaluates transition and physical risks associated with key uncertainties, which include evolving carbon pricing mechanisms, changes in national and international regulations, market uptake of low- carbon technologies, and volatility in financial incentives.

Ford Otosan held a Sustainability Workshop with its key suppliers at the end of 2023. Based on supplier commitment, the Company established a Sustainability Roadmap covering six-month, one- year, and two-year targets across environmental, social, governance, and supply chain topics. The Supplier Sustainability Committee, formed in 2024, meets quarterly with key suppliers to evaluate progress on roadmap-related action plans and encourage the exchange of best practices.

Given the uncertainty around how quickly suppliers can adapt to rapidly evolving sustainability regulations, Ford Otosan has implemented a robust supplier engagement strategy that includes supplier categorization based on sustainability risk, sustainability audits, training programs, and development of supplier-specific roadmaps. These efforts aim to strengthen supplier management mechanisms, enhance compliance with sustainability criteria, and mitigate environmental and social risks across the value chain.

Strategic investments in sustainability are also integrated into Ford Otosan's business model transformation, with a long-term goal of building resilience to climate-related risks. Due to its production operations in Romania, Ford Otosan is directly subject to several European Union climate regulations, which impact its export operations, product development strategies, and supply chain management. Therefore, the Company closely follows key EU policies that include the Carbon Border Adjustment Mechanism (CBAM), the Vehicle Energy Consumption Calculation Tool (VECTO), and the Deforestation Regulation. The Company actively tracks regulatory developments through EU and Turkish Official Gazettes, EU Commission and Parliament decisions, public consultations, and sub-working group decisions of the EU Commission.

Through its Homologation Dashboard, Ford Otosan provides internal updates on upcoming regulatory changes, content and scope of regulations, transition timelines, and affected vehicle projects. This information is reviewed and updated monthly. CBAM-related risks include several uncertainties, such as incomplete or inaccurate reporting by suppliers, which may be outside the Company's direct control, the addition of new suppliers in future product ranges, and the unpredictability of which and how many products may fall under CBAM's scope.

Ford Otosan utilizes advanced water treatment technologies, including reverse osmosis and membrane bioreactor (MBR) systems, to optimize water use across its facilities. These projects aim to recycle various water sources such as treated wastewater, domestic wastewater, reclaimed water, and cooling tower blowdown water. At the Eskişehir Plant, the Company has launched a remote well water level monitoring project, enabling digital, real-time measurement of groundwater levels. In addition, detailed water mapping projects are being carried out across all facilities to optimize water consumption.

Climate Resilience

These efforts include identifying water consumption points, creating mass balance-based water maps, and conducting comprehensive water audits.

To mitigate water stress risk, Ford Otosan is implementing water supply action plans and recovery projects aimed at addressing drought and water scarcity. While the Company can forecast the number of days production may be disrupted, the precise timing and extent of production loss remain uncertain due to shared water-related risks among suppliers. Water stress is considered a strategic factor in investment planning and decision-making. Related practices are monitored by the Sustainability Committee.

In the medium term, Ford Otosan is developing engine and vehicle innovations to comply with the European Union's heavy commercial vehicle emissions standards. These efforts target a 15% reduction in carbon emissions by 2025, and a further 30% reduction by 2030, compared to the 2019 baseline.

The Company's vehicle production lines across all facilities are designed to be flexible, supporting both electric and internal combustion engine (ICE) production, thus enhancing operational resilience during the transition to climate-friendly technologies.

Regarding physical climate risks, the Company is actively assessing the impact of extreme climate events on production operations, the potential consequences of water resource depletion on facility and supply chain water management, and damage risks to vehicles, particularly from hailstorms and other severe weather conditions. Given the uncertainty surrounding these risks, the Risk Committee, in coordination with Executive Management, regularly reviews climate-related risks and opportunities and develops corresponding action plans. In line with Ford Otosan's SBTi 2050 net-zero commitment, the Company is also focusing on the specific needs of electric commercial vehicles, including the charging network and infrastructure, which are critical for the effective rollout of electrification projects.

As part of its scenario analyses, the Company reviewed macroeconomic developments affecting the automotive industry. Globally, growing sustainability awareness and the introduction of new regulations have made the production of alternative fuel vehicles essential. Despite ongoing uncertainties related to tariffs and intense competition in European markets, factors such as declining interest rates and increasing demand for zero-emission fleet vehicles are expected to support future demand. However, the adoption of electric vehicles (EVs) is progressing more slowly than anticipated due to consumer behavior, limited charging infrastructure, and range concerns. According to industry research, 66% of experts expect EVs to reach cost parity with ICE vehicles by 2030, while 46% of experts believe EVs will be cost- competitive without subsidies by that time. Many companies have signed the Zero Emission Vehicles (ZEV) Declaration, which commits to phasing out new ICE vehicles by 2035 in leading markets, and by 2040 globally.

In line with the EU's goal of reducing environmental pollution for a sustainable future, the Euro 7 Emission Standards, set to take effect in 2025, will enforce stricter controls on carbon emissions, nitrogen oxides (NOx), and particulate matter (PM) from cars, light trucks, and heavy vehicles. Ongoing advancements in battery technologies and expanding infrastructure across countries are accelerating this transition.

The European Union's Corporate Sustainability Due Diligence Directive (CSDDD) aims to increase corporate transparency and accountability for upholding human rights, environmental sustainability, and ethical business practices across all stages of the supply chain. Economic factors, particularly the reduction of total cost of ownership and shifting social perceptions, are among the key drivers of the transition to electric vehicles in the medium to long term. Growing regulatory pressures to conserve water resources under the EU Water Framework Directive (WFD) and EU Taxonomy, along with the enforcement of stricter standards for water use in production processes, pose operational compliance risks.

Climate Resilience

Furthermore, new financing and reporting obligations, in line with the European Green Deal, which imposes water efficiency criteria, mean both increased costs and shifts in investment priorities for facilities operating in water-stressed regions. In its water risk scenario analyses, Ford Otosan incorporated the projected impacts of these regulatory changes and physical risk data from the WRI Aqueduct and the WWF Water Risk Filter.

Regarding carbon regulation, the phasing out of free allowances under the EU Carbon Border Adjustment Mechanism (CBAM) starting in 2026 introduces several emerging risks, including rising CBAM certificate costs, penalties for non-reporting or inaccurate reporting, and expansion of scope to include additional product groups. These risks were analyzed in Ford Otosan's transition risk scenario model. The Company applied a carbon price of 65 Euro/ton CO_2e for >2°C, >1.5°C, and <1.5°C warming scenarios, based on data from the International Energy Agency (IEA).

Ford Otosan is also directly affected by the EU Battery and Waste Battery Regulation (Regulation No. 2023/1542). This regulation applies to 32,403 battery-electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) launched to the EU market in 2024, which accounted for 6.6% of the Company's annual revenues.

In the coming years, this regulation will require:

- Declaring the carbon footprint of batteries.
- Classification of carbon footprint performance, application of content and recycling labels, and implementation of a digital Battery Passport via QR code.
- Adherence to carbon emissions caps for batteries that will be launched in the EU market.
- Compliance with minimum recycled content thresholds for critical raw materials, including cobalt, lithium, and nickel.

All requirements will be subject to verification by authorized institutions. Non-compliance will result in the battery failing to receive CE marking, which in turn will prohibit the associated vehicles from entering the EU market.

The increasing demand for electric vehicles (EVs) has heightened global dependence on critical raw materials, particularly lithium, cobalt, and nickel, leading to significant supply chain risks. In response, recycling processes have become strategically important. With the EU Battery Regulation taking effect in 2024, initiatives such as the Digital Battery Passport have been implemented to improve battery waste traceability, transparency and recovery rates. These developments indicate that the automotive industry is undergoing a profound transformation, not only in terms of technology, but also in macroeconomic and regulatory dynamics. Supplier compliance with the new battery regulation has been identified as a major transition risk for Ford Otosan, which has started to take necessary action.

The Company is prioritizing compliance-related actions, including ensuring traceability within the battery supply chain, completing carbon footprint measurements and reporting, meeting minimum recycled content targets, and integrating digital Battery Passports. Failure to meet these requirements could jeopardize the regulatory approval, sales, and delivery of the 32,403 units currently marketed in the EU, as well as future BEV/PHEV production volumes. As EV manufacturing continues to scale up, the risk of non-compliance with the regulation becomes increasingly material.

Volatility in Energy Prices: Energy price volatility, driven by exchange rate fluctuations and geopolitical tensions such as the Israeli–Palestinian conflict, resulted in significant increases in natural gas and electricity prices. These fluctuations had both a direct impact on Ford Otosan's operational energy costs and an indirect impact on the cost of goods purchased.

In 2024, upward trends in raw material prices were observed in Türkiye, influenced by global economic conditions, local inflation, exchange rate volatility, supply chain disruptions, and energy cost pressures.

The situation was further compounded by overcapacity in China, a global decline in steel demand, and pricing pressures from sheet metal manufacturers, who sought to recover losses by passing costs to OEMs.

The automotive industry, responsible for nearly 10% of global greenhouse gas emissions, is undergoing significant technological transformation to reduce its environmental impact. In this context, the European Union has set a zero CO_2 emissions target for light commercial vehicles by 2035, and a 90% reduction target for heavy commercial vehicles by 2040. The EU Emissions Trading System 2 (ETS 2) is expected to include road transport by 2027. The Science-Based Targets initiative (SBTi) has released updated target-setting criteria, aligning in-use vehicle emissions with the 1.5°C global warming scenario. Meanwhile, circular economy practices, particularly for EV battery recovery and recycling are developing. The EU has also introduced new requirements for battery waste collection rates and recovery efficiency for lithium-based batteries.

By 2027, the Digital Battery Passport will make battery production, usage, and recycling electronically traceable, increasing transparency across the value chain. The EU's Critical Raw Materials Act and the new Battery Regulation also establish sustainability and traceability standards for sourcing key materials. To further reduce its carbon footprint, the automotive industry is taking important steps, including managing Scope 3 emissions, embedding environmental and social responsibility standards in supply chains, and adopting materials like green steel.

Ford Otosan has identified and disclosed climate-related risks and opportunities expected to have a material financial impact, as well as the strategic and operational investments undertaken to enhance the climate resilience of its business model. These details are provided in **Table 3** and **Table 4** in the "Risks and Opportunities" section of this report.

METRICS and TARGETS

Metrics and Targets

Ford Otosan monitors the sustainability performance of its parts suppliers in relation to various climate-related and regulatory risks. Specifically, suppliers subject to CBAM risk are tracked for compliance performance. Water withdrawal and recycling metrics are monitored in regions exposed to water stress. The sustainability performance of all critical suppliers is assessed through surveys and audits to manage compliance with supply chain regulations. Identified development areas and corrective actions are regularly followed up.

To closely monitor and manage climate-related risks and opportunities across its business model and value chain, Ford Otosan conducts scenario analyses. Among physical risks, water stress and access to water resources have been identified as the most significant threats. Most of the Company's production facilities in Türkiye are located in water-stressed regions. The Kocaeli and Sancaktepe facilities are situated in the Marmara Basin, an area facing high water stress (40%–80%). The Eskişehir plant is in the Sakarya Basin, where water stress levels are classified as extremely high (over 80%). In contrast, the Craiova Plant in Romania is located in a low-risk area (<10%). According to the World Resources Institute (WRI) moderate climate scenario, the regions where the Gölcük and Yeniköy Plants operate are projected to experience a 20% decrease in water supply and more than 40% increase in water demand by 2040.

Ford Otosan also uses the IPCC's physical risk scenarios (RCP 2.6, RCP 4.5, and RCP 8.5) to evaluate water-related risks stemming from climate change. Under the moderate scenario, the Gölcük, Yeniköy, and Eskişehir plants were classified as high water stress zones. Direct water use in production processes, such as painting, washing, rinsing, powertrain component processing, and cooling, is essential for the uninterrupted operation of these facilities. Based on the scenario analyses, Ford Otosan's overall physical risk level was assessed as moderate, with water stress posing the highest impact, followed by extreme heat and cold waves as the second most critical physical risk.

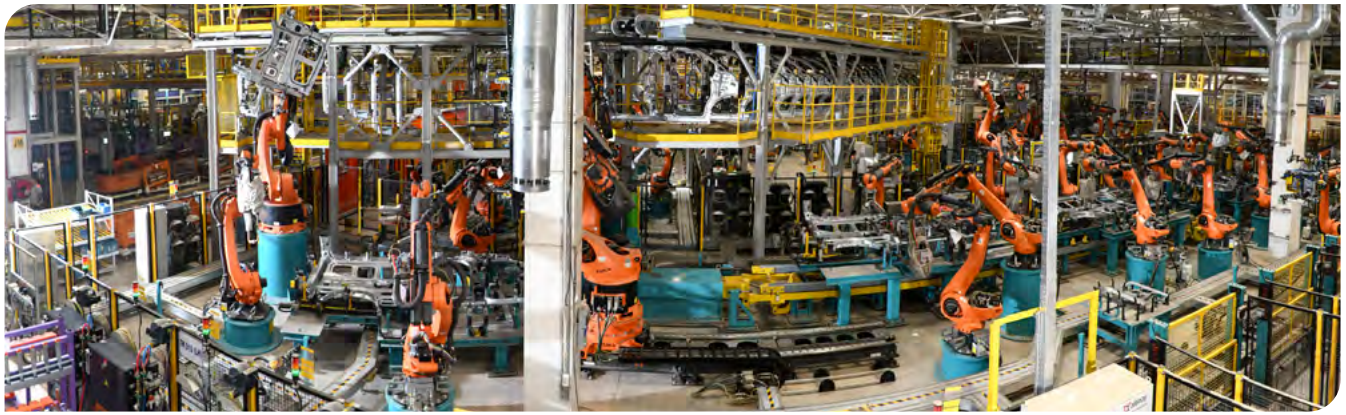
Ford Otosan and its subsidiaries are actively working to integrate the impact of greenhouse gas (GHG) emissions into their investment decision-making processes. In line with their ambition to achieve net-zero emissions, these efforts extend beyond operational activities to include products and services. Guided by its "Future. Now" sustainability vision, the Company became a signatory to the Science- Based Targets Initiative (SBTi) in 2022 and committed to short and long-term emission reduction targets. These targets align with the Paris Agreement's goal of limiting global warming to 1.5ºC and support Ford Otosan's Net-Zero commitment. In the short term, Ford Otosan is implementing action plans in priority areas including water stewardship, waste reduction, energy efficiency, and carbon footprint reduction at its facilities. Efforts to achieve net-zero emissions at production sites are ongoing, with a rapid shift toward renewable energy sources in operational energy use.

As part of its 2024 assessment, the Company reviewed its sustainability-related risks and opportunities in light of the activities of national and international competitors, global automotive market trends, and evolving global and local regulations. The results of this assessment were added to Ford Otosan's corporate risk inventory.

Climate-related risks and opportunities are updated regularly through monitoring of industry trends, developments in the national and global landscape, and insights from sources such as the World Economic Forum's (WEF) Global Risks Report.

Ford Otosan is subject to Volume 63 – Automobiles under the TSRS Sector-Specific Implementation Guidelines. In this context, the Company discloses its Scope 1, Scope 2, and Scope 3 GHG emissions, number of vehicles produced and sold, fleet fuel economy, and the strategy for managing emissions-related risks and opportunities. These disclosures are provided in the Automobiles industry appendix located in the **Annexes** section of the report.

Ford Otosan publicly discloses relevant metrics in line with both the Global Reporting Initiative (GRI) and TSRS standards. GRI- compliant metrics are presented in the Annexes and Performance Indicators sections of the 2024 Integrated Annual Report. Ford Otosan received limited assurance for the financial and non- financial data disclosed in its 2024 Integrated Annual Report. The limited assurance statement for the TSRS-Compliant Sustainability Report is provided in the **Annexes** section of the report.



Climate-Related Metrics

The definitions and calculation methodologies for Ford Otosan's climate-related metrics, including emissions, energy consumption, and water consumption, are detailed in the **Additional Disclosures on Calculating Metrics** section of the report.

No changes were made to the methodology for calculating sustainability metrics during the 2024 reporting period.

Ongoing regulatory developments, such as the EU's Corporate Sustainability Due Diligence Directive (CSDDD), Battery Regulation, and Deforestation Regulation, are rapidly evolving, and their future implications remain uncertain.

The growing demand for electric vehicles has increased reliance on critical raw materials such as lithium, cobalt, and nickel, heightening supply chain risks. Due to insufficient ESG performance monitoring across the industry, supplier resilience to risks stemming from such regulations is difficult to assess. A significant contributing factor is the inability to digitally track ESG data across the supply chain. Further uncertainty arises from the lack of data concerning the likelihood, timing, and potential impact of these risks.

Additionally, the transitional exemptions under the EU's Carbon Border Adjustment Mechanism (CBAM) Regulation are set to expire in 2026. Key risks include increased CBAM certification costs, penalties for non-reporting or inaccurate reporting, and more components being included within the scope due to the addition of new product groups. Uncertainties also persist regarding the pace of market transition to electrification, compounded by limited data on the timing and magnitude of associated risks.

The water stress risk stems from the potential impacts of Ford Otosan's operations on the water basins in which it operates. In addition, the exposure of suppliers to water stress in the short and medium-term presents a risk, although the extent of potential disruption to production remains uncertain.

Greenhouse Gas Emissions

Ford Otosan regularly monitors its Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions as key indicators of progress toward its climate-related targets. These metrics are aligned with the cross-sector and Automotive industry-specific metrics defined in Volume 63 of the TSRS Sector-Specific Implementation Guidelines and comply with the provisions of TSRS 1. Emission values are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004) and are used in both internal performance tracking and external disclosures, enabling measurable, comparable, and reliable assessments.

Ford Otosan's and its subsidiaries' absolute gross Scope 1, 2, and 3 greenhouse gas emissions, expressed in metric tons of CO_2 equivalent, generated within the reporting period and measured in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004), are included in the **Annexes** section of this report under **Greenhouse Gas Emission Metrics.** Related methodologies and definitions are included under **Additional Disclosures on Calculating Metrics.** Scope 1, Scope 2, and Scope 3 emissions are detailed in the report.

Ford Otosan calculates its location-based Scope 2 emissions in accordance with the Greenhouse Gas Protocol Corporate Standard. All electricity used across its Türkiye locations is sourced from 100% renewable energy with I-REC certification, while its Romanian facility is also fully powered by renewable energy.

The Company's and its subsidiaries' emissions from investments are calculated under Scope 3, Category 15 (Investments) and are disclosed in the Integrated Annual Report. Under Scope 3 Category 15, Otokar's greenhouse gas emissions have been included in Ford Otosan's emission calculations in proportion to its ownership share (0.59%). During the reporting period, no significant changes were made in the Scope 3 category definitions or in the boundaries of value chain activities included in Scope 3 GHG measurements.

A limited assurance was obtained for the Company's 2024 emissions calculations. The limited assurance statement is presented on page 393 of the **2024 Ford Otosan Integrated Annual Report.**

Assets' Resilience and Adaptation to Climate Change

Ford Otosan has disclosed the areas of operation and specific facilities it expects to be affected by climate-related transition risks. Detailed information, including investment amounts for planned actions to comply with the Carbon Border Adjustment Mechanism (CBAM), short-term investments for adapting to water stress risks, and solar power plant investment costs, is presented in **Table 3** and **Table 4** in the "Risks and Opportunities" section of this report. The Company closely monitors current carbon tax developments and applies an internal carbon pricing mechanism. For 2024, this internal carbon price has been set at 65 Euro/ton CO_2e, in alignment with Koç Holding and the Koç Group, and based on the dynamics of the previous year's EU Emissions Trading System (EU ETS). Ford Otosan is currently working to integrate carbon cost considerations more prominently into investment decision-making. The goal is to embed internal carbon pricing into the CAPEX purchasing system, starting with new operational investments and later expanding to the supply chain and other relevant areas. Through this internal carbon pricing mechanism, the total emissions cost is reflected in transactions with suppliers.

Climate-Related Targets

Ford Otosan is advancing its transition to a low-carbon economy through clearly defined targets and strategies. The Company is integrating the impact of greenhouse gas (GHG) emissions into investment decision-making processes and is actively transforming its operations, products, and services to align with its net-zero emissions goal. As part of the low-carbon economy transition roadmap, Ford Otosan is focused on analyzing climate- related risks and opportunities and developing corresponding action plans; preparing detailed strategies and roadmaps to achieve its 2050 net-zero commitment; and aligning with climate policies such as the European Green Deal and fostering collaborations to support this alignment. Within the scope of its Carbon Transition Roadmap, the Company aims to sell only zero-emission passenger and light/medium commercial vehicles by 2035, transition to exclusively zero-emission heavy commercial vehicles by 2040, and achieve carbon neutrality in Scope 1 and Scope 2 emissions of over 300 suppliers and in the Company's logistics operations by 2035.

Climate-Related Targets

To combat climate change, Ford Otosan has set both short and long-term greenhouse gas reduction targets aligned with the 1.5ºC global warming scenario and approved by the Science Based Targets initiative (SBTi). The Company is committed to reaching net-zero emissions across its value chain by 2050. The Company's targets include reducing absolute Scope 1 and Scope 2 emissions by 77% by 2034, compared to the 2017 baseline and absolute Scope 3 emissions from product use by 58.8%, compared to the 2021 baseline. In the long term, Ford Otosan aims to reduce Scope 1 and 2 emissions by 90% from the 2017 baseline, and Scope 3 emissions, including those from purchased goods and services, logistics, and product use, by 90% compared to the 2021 baseline. Ford Otosan's emission reduction targets, which cover all of its locations in Türkiye and Romania and have been approved by SBTi, include five gross greenhouse gas emission reduction targets. Ford Otosan's science-based greenhouse gas emission reduction targets are based on a sectoral decarbonization approach. The targets follow the SBTi Land Transportation Guidance, updated in March 2024, which – for the first time - requires automotive manufacturers to align their Scope 3 Category 11 (Use of Products Sold) emissions, typically the largest source, with the 1.5ºC target.

The guidance also calls for the phase-out of internal combustion engine (ICE) vehicles by 2035 in major markets, including the EU, US, China, UK, Canada, South Korea, Japan, and Australia, and globally by 2040.

Ford Otosan's greenhouse gas emission reduction targets are aligned with global decarbonization efforts and take into account laws and regulations promoted by the European Commission, which mandates that all new passenger and light commercial vehicles registered in Europe be zero-emission by 2035. In this context, the Company has adopted the relevant SBTi criteria and is following a transition roadmap consistent with the commitments outlined in the Zero Emission Vehicles (ZEV) Declaration. These emission reduction targets cover carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O), along with all seven greenhouse gases defined under the Greenhouse Gas Protocol Corporate Standard. Progress toward these targets is monitored through performance indicators such as Scope 1, Scope 2, and Scope 3 emissions, as well as emissions per vehicle produced and energy consumption.

In addition, the Company has set a water intensity target to reduce freshwater consumption per vehicle at its production facilities in Türkiye by 40% by 2030, compared to the 2019 baseline. While the methodology for this target has not been independently verified, Ford Otosan monitors the annual amounts of recycled water, total water discharge (excluding rainwater and domestic waste), and groundwater, municipal water, and rainwater withdrawal volumes. To mitigate water stress and drought risks, a Water Supply Action Plan has been developed. Using the WRI Aqueduct tool, Ford Otosan has analyzed water risk across its facilities in Türkiye and Romania and has implemented mitigation measures in high-risk areas.

Notable actions include cooling water recovery at the Gölcük and Yeniköy Plants and the initiation of a new wastewater treatment facility in Eskişehir. A digital monitoring system, deployed in 2024, remotely tracks well water levels at the Eskişehir Plant. Water stress is factored into strategic

decision-making and investment prioritization, with oversight provided by the Sustainability Committee. These projects align with both the Ford Europe Global Water Ambition and the Koç Group Water Stewardship Strategy.

Ford Otosan has updated its 2024 assessment in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, revisiting and updating its sustainability risks and opportunities accordingly. The Company's short and long-term GHG reduction targets remain aligned with the 1.5ºC scenario, as verified and approved by SBTi. Definitions and methodologies for all tracked sustainability and climate-related metrics are disclosed under the **Additional Disclosures on Calculating Metrics** section of the report.

Ford Otosan continues to monitor the sustainability targets set in 2022 for its operations in Türkiye, and the integration of its Romania Plant into these targets is planned for completion in 2025.

**As of 2024, the Company also operates under the International Sust inability Standards Board (ISSB) framework.*

Climate-Related Targets

Reviewing Targets

At Ford Otosan, the target review process is coordinated by The Central Sustainability Team, which is responsible for implementing the sustainability strategy approved by the Board of Directors. Under the oversight of the Sustainability Committee, working groups develop annual business plans and investment projects, and progress toward strategic goals is monitored throughout the year. This progress, along with project proposals related to targets and sustainability risks and opportunities with high impact and probability, is reported quarterly to the Sustainability Committee. At The Environmental Committee and Energy Management Team, which convene monthly at production facilities, track environmental and energy performance and contribute to the continuous monitoring and feedback mechanisms for relevant targets. Progress on climate change and broader sustainability targets is presented monthly to Executive Management through the Target Progress Report.

Under the coordination of Risk Management Leadership, key focus areas such as Climate Change, Water Efficiency, Waste Management, Human Rights, and Responsible Supply Chain are continuously monitored.

In line with its "Future. Now" vision, Ford Otosan focuses on areas such as reducing its carbon footprint, improving energy efficiency, and advancing water stewardship in the short term; developing measures to comply with EU emission standards and address water supply risks in the medium term; and implementing a Net-Zero strategy aligned with the 1.5ºC target in the long term. Accordingly, its business model continuously evolves, following circular economy principles and low-carbon production models. The Sustainability Committee meets at least four times a year to evaluate developments related to targets, strategic investments, and sustainability risks and opportunities. The Environmental Committee and Energy Management Team carry out routine monitoring at production facilities. Environmental performance metrics, such as water, energy, and waste, are reviewed during Management Review meetings, in accordance with ISO 14001.

Ford Otosan's short and long-term emission reduction targets were determined in line with the Science-Based Target Setting Guidance for the Road Transport Sector published by SBTi. These targets have undergone verification through SBTi's formal approval process. To achieve these targets, Ford Otosan is taking steps such as optimizing production processes, increasing energy efficiency, and investing in electrification and renewable energy.

External factors, including changes in SBTi methodology, developments in climate policies, and updates to mechanisms such as the EU Emissions Trading System (ETS) and other national and international regulations, are also incorporated into the company's target setting and review processes.

Monitoring Targets and Disclosing Performance

As part of its commitment to the Science-Based Targets initiative (SBTi), Ford Otosan has made measurable progress in reducing its greenhouse gas emissions. In 2024, Scope 1 emissions totaled 129,597 tons CO_2e, compared to 131,791 tons CO_2e in 2023. Scope 2 emissions decreased by 8.6%, from 34,900 tons CO_2e in 2023 to 31,886 tons CO_2e in 2024. Scope 3 emissions fell by 4.6%, from 108,097,153 tons CO_2e in 2023 to 103,073,892 tons CO_2e in 2024. In addition, Ford Otosan prevented approximately 16,100 tons of CO_2e emissions through the implementation of 150 energy efficiency projects across its operations in 2024.

To support energy efficiency at its production facilities, the Company implemented technologies such as solar light tubes, thermal wall systems, and air leak detection systems. Investments in land-based and rooftop solar power plants (SPPs) continued throughout 2024, with the goal of achieving a total installed capacity of 22 MWh by 2026.

In collaboration with its critical suppliers, Ford Otosan developed a supplier sustainability roadmap covering six-month, one-year, and two-year targets for 2024. These targets included carbon neutrality goals and planned investments, and progress was evaluated quarterly. Best practices were also shared with stakeholders as part of the process. The Company also monitors suppliers' energy consumption, greenhouse gas emission levels, and sustainability- related investments through annual performance measurement surveys. Beginning in the first quarter of 2025, sustainability metrics have been integrated into the supplier selection criteria.

As a major step toward reducing emissions in logistics operations, rail transport was introduced for product and parts shipments between Craiova, Romania, and Istanbul, Türkiye in Q1 2025. This shift resulted in a 63% reduction in emissions compared to traditional road transport. Looking ahead, the Company plans to transition to electric and alternative fuel vehicles in its road logistics operations.
To advance its climate targets, Ford Otosan promotes a value chain-wide approach and prioritizes collaborative practices with all stakeholders, starting with its suppliers. The Company has reinforced this commitment by joining the United Nations Global Compact (UNGC) "Forward Faster" initiative.

Ford Otosan did not accumulate or purchase any carbon credits during the reporting period. Meanwhile, the Company continues to focus on reducing its carbon footprint through ongoing R&D efforts, emission reduction initiatives, and energy efficiency projects implemented at its facilities.

ANNEXES

GHG Emission Metrics

Table 5. Greenhouse Gas Emission Metrics

GHG Emissions (ton CO_2e)	2024 (Ford Otosan and Consolidated Subsidiaries)
Scope 1	129,507
Scope 2 (Market-based)	31,886
Scope 2 (Location-based)	234,871
Scope 3	103,073,892
Total (Scope 1, Scope 2 and Scope 3)*	**103,235,285**

**Total GHG emissions calculated for Scope 2 - Market-based.*

GHG Emission Metrics

Table 6. Scope 3 Emission Categories

GHG Emissions – Scope 3 Categories (tons CO_2e)	2024 (Ford Otosan and Consolidated Subsidiaries)
Scope 3 Category 1: Purchased Goods and Services	8,454,820
Scope 3 Category 2: Capital Goods	207,799
Scope 3 Category 3: Fuel- and Energy-Related Activities (not included in Scope 1 and Scope 2)	84,949
Scope 3 Category 4: Upstream Transportation and Distribution	229,764
Scope 3 Category 5: Waste Generate in Operations	1,215
Scope 3 Category 6: Business Travel	3,135
Scope 3 Category 7: Employee Commuting	7,461
Scope 3 Category 8: Upstream Leased Assets	0
Scope 3 Category 9: Downstream Transportation and Distribution	258,334
Scope 3 Category 10: Processing of Sold Products	6,442
Scope 3 Category 11: Use of Sold Products	93,167,264
Scope 3 Category 12: End-of-life Treatment of Sold Products	614,219
Scope 3 Category 13: Downstream Leased Assets	0
Scope 3 Category 14: Franchises	7,466
Scope 3 Category 15: Investments	31,023
Total (Scope 3)	**103,073,892**

While Rakun Mobilite Teknoloji ve Tica ret A.Ş. are produced in the Eskişehir Plant, no production activities took place in 2024. Since production stopped at the end of 2023, no emissions have been reported. Gembox Teknoloji Girişimleri A.Ş. is located within Ford Otosan's Sancaktepe Facility and therefore its emissions are included in the location's calculations. Under Scope 3 Category 15, the GHG emission data of Otokar Otomotiv Sanayi A.Ş. are included in the emission calculations at a rate of 0.59%, due to Ford Otosan's affiliation. The greenhouse gas inventory calculated in 2024 was align ed with financial reporting boundaries.

Water Consumption Metrics

Table 7. Recycled Water and Wastewater Metrics

Recycled Water and Wastewater Amounts (m^3)	2024 (Ford Otosan and Consolidated Subsidiaries)
Recycled Water	50,594
Total Water Discharge Excluding Rainwater and Domestic Waste	691,696
Total	**742,290**

Table 8. Water Withdrawal Metrics

Water Withdrawal (m^3)	2024 (Ford Otosan and Consolidated Subsidiaries)
Groundwater	1,357,467
Municipal Water	417,068
Rainwater	118,476
Total	**1,893,011**

Energy Consumption Metrics

Table 9. Energy Consumption Metrics

Energy Consumption (GJ)	2024 (Ford Otosan and Consolidated Subsidiaries)
Direct Renewable Energy Consumption	0
Direct Non-Renewable Energy Consumption	1,670,633
Indirect Renewable Energy Consumption	1,757,566
Indirect Non-Renewable Energy Consumption	279,469
Total	**3,707,669**

Sector-Based Implementation of TSRS 2 – Volume 63 — Automobiles

Table 10. Sustainability Disclosure Topics and Metrics

Topic	Metric	Category	Unit of Measure	Code	2024 (Ford Otosan and Consolidated Subsidiaries)
Fuel Economy and Use-Phase Emissions	Sales-weighted average passenger fleet fuel economy, by region	Quantitative	gCO_2/km	TR-AU-410a.1	**Vehicle Type** / **Europe** / **Türkiye** / **Asias & Africa** Passenger Vehicles / 150.5 / 170.4 / N/A Light Commercial Vehicles / 171.7 / 171.7 / 159.8
	Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold	Quantitative	Number	TR-AU-410a.2	**Vehicle Sales (Units)** / **2 0 24 (Ford Otosan and Consolidated Subsidiaries)** Zero-Emission Vehicles (ZEV) / 20,123 Mild Hybrid Electric Vehicles (MHEV) / 164,875 Plug-in Hybrid Vehicles (PHEV) / 12,280
	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	Discussion and Analysis	Non	TR-AU-410a.3	A fine of Euro 4,250 per vehicle sold in the European Union for each g/tkm of excess CO_2 emissions over the 2025 European Union CO_2 target could be imposed. The period for target calculation and fines will be between July 2025 and July 2026 for the 2025 VECTO reporting year. The Company developed two major projects to meet fleet CO_2 emissions targets in Europe for 2025 and beyond. These projects are expected to positively impact the fuel economy competitiveness of diesel trucks and play a significant role in the Company's market readiness for zero-emission transition. The Company continues its technical preparations and investments for the transition to EURO 7 emissions standards. This process represents an opportunity for increasing product competitiveness by complying with future regulations. In electrification, competencies are developed in critical areas such as battery technology, power electronics, and charging infrastructure through international collaborations within the scope of Horizon Europe projects. Specifically for hydrogen vehicles, the Company is developing technologies for zero-emission heavy commercial vehicles through projects such as the H2-Ecotorq hydrogen internal combustion engine and the FCEV F-MAX fuel cell tractor. These technologies aim to strengthen the domestic production infrastructure and provide sustainable solutions for the European logistics sector.

Table 11. Activity Metrics

Activity Metrics	Category	Unit of Measure	Code	2 0 24 (Ford Otosan and Consolidated Subsidiaries
Number of vehicles manufactured	Quantitative	Number	TR-AU-000.A	632,683
Number of vehicles sold	Quantitative	Number	TR-AU-000.B	661,007

Additional Disclosures on Calculating Metrics

These disclosures are intended to explain the metrics and indicators included in the report published by Ford Otomotiv Sanayi A.Ş. (the "Company") for compliance with the Türkiye Sustainability Reporting Standard (TSRS) and provide information on the data preparation, calculation, and reporting methodologies.

This guideline covers environmental indicators. The Company management is responsible for ensuring that appropriate procedures are in place to prepare these metrics specified below in accordance with the disclosure in all material aspects.

The information provided in this guideline covers the fiscal year ending on December 31, 2024, and the Eskişehir, Yeniköy, and Gölcük plants in Türkiye, the Sancaktepe R&D center and Spare Parts Warehouse locations, and the Craiova plant in Romania, all under the umbrella of Ford Otomotiv Sanayi A.Ş., as detailed in the "Key Definitions and Reporting Scope" section. Metrics that include contractors are specified in the “Key Definitions and Reporting Scope” section. The contractors’ data is not included in metrics that are not specified.

General Reporting Principles

In preparing this guidance document, the following principles have been considered:

- Information Preparation – to highlight to users of the information the primary principles of relevance and reliability of information.
- Information Reporting – to highlight the primary principles of comparability/consistency with other data including prior data and understandability/transparency providing clarity to users.

Key Definitions and Reporting Scope

The Company defines the following terms for the purpose of this report:

Type	Indicator	Scope
Environmental	**Greenhouse Gas Emissions (tonCO_2e)**	
	Scope 1 Emissions	This indicator refers to the emissions from direct consumption in line with the GHG Protocol from the Company 's Türkiye and Romania operations during the reporting period.
	Scope 2 Emissions	This indicator refers to indirect consumption-related emissions in line with the GHG Protocol from the Company's Türkiye and Romania operations during the reporting period.
	Scope 3 Emissions	This indicator refers to indirect greenhouse gas emissions from external sources other than the company's direct activities in line with the GHG Protocol during the reporting period.
	Total	This indicator refers to the Company's total Scope 1, 2 and 3 emissions during the reporting period.
	Energy Consumption (GJ)	
	Direct Renewable Energy Consumption	This indicator refers to the Company's renewable energy consumption from renewable sources in its Türkiye and Romania operations in GJ during the reporting period.
	Direct Non-Renewable Energy Consumption	This indicator refers to the sum of the following consumptions in GJ units within the scope of direct non-renewable energy consumption for the Company's Türkiye and Romania operations during the reporting period, followed by invoices and internal meters: Stationary Combustion (Natural Gas (Sm 3); Diesel (L); LPG (kg); Propane (kg); Methanol (kg) and Mobile Combustion (Diesel (L); Gasoline (L), Stationary Air Conditioning Leaks (HFC-134a, HFC-407C, R-410A etc. (kg), Mobile Air Conditioner Leaks (HFC-134a, 1234YF (kg), Welding and Fire Extinguishing Cylinder Leaks (HB 212, HB 220, HB 205, CO_2, CO_2 Fire Extinguishers (kg), Greenhouse Gas Emissions from Process Gases Oil Vapor (Opet Fuchs Anticorit RP, cutting fluid, lapping oil, washer fluid, heat treatment fluid & oil, degreasing (kg) and VOC (kg). The data includes Türkiye and Romania operations.
	Indirect Renewable Energy Consumption	This indicator refers to the sum of Electricity (MWh) and Steam (MWh) consumption in GJ units, which are tracked with invoice s within the scope of indirect renewable energy consumption for the Company's Türkiye and Romania operations during the reporting period. Türkiye locations purchase 100% renewable electrical energy (I-REC). The Romania location also procure its electricity supply from 100% renewable energy. The data includes Türkiye and Romania operations.
	Indirect Non-Renewable Energy Consumption	This indicator refers to the renewable energy consumption from external sources for the Company 's Türkiye and Romania operations in GJ during the reporting period.
	Total	This indicator refers to the sum of the Company's direct renewable energy, direct non-renewable energy, indirect renewable energy, and indirect non-renewable energy consumption amounts during the reporting period.

Additional Disclosures on Calculating Metrics

Type	Indicator	Scope
Environmental	**Water Withdrawal (m^3)**	
	Municipal Water	This indicator refers to the amount of municipal water consumed during the reporting period, which is tracked from the invoices received by the Company from service providers (12 months) and can be mapped with financial reporting systems. The data includes Türkiye and Romania operations.
	Ground Water	This indicator refers to the groundwater consumption amount monitored monthly by the Company's internal meters during the reporting period. The data includes Türkiye and Romania operations
	Rainwater	This indicator refers to the rainwater consumption amount monitored monthly by the Company's internal meters during the reporting period. The data includes Türkiye and Romania operations.
	Total	This indicator refers to the total of the Company's municipal water, groundwater and rainwater consumption amounts during the reporting period.
	Recovered Water and Wastewater (m^3)	
	Recovered Water	This indicator refers to the amount of water recycled by the Company in its operations in Türkiye and Romania during the reporting period.
	Total Amount of Water Discharge Excluding Rainwater and Domestic Waste	This indicator refers to the amount of water discharged by the Company in its Türkiye and Romania operations, excluding rainwater and domestic water, during the reporting period.
	Total	This indicator includes the total amount of wastewater recovered and discharged by the Company during the reporting period.

Additional Disclosures on Calculating Metrics

Data Preparation

1. Environmental Indicators

Greenhouse Gas Emissions (tonCO_2e)

Scope 1 :
The company's Stationary Combustion (Natural Gas (Sm^3); Diesel (L); LPG (kg); Propane (kg); Methanol (kg) and Mobile Combustion (Diesel (L); Gasoline (L)), Stationary Air Conditioning Leaks (HFC-134a, HFC-407C, R-410A etc. (kg)), Mobile Air Conditioning Leaks (HFC-134a, 1234YF (kg)), Welding and Fire Extinguisher Cylinder Leaks (HB 212, HB 220, HB 205, CO_2, CO_2 Fire Extinguishers (kg)), Greenhouse Gas Emissions from Process Gases Oil Vapor (Opet Fuchs Anticorit RP, cutting fluid, lapping oil, washer fluid, heat treatment fluid & oil, degreasing (kg)) and VOC (kg) consumption amounts are calculated.

Scope 2 :
Electricity (MWh) and Steam (MWh) are calculated for Scope-2 Indirect Greenhouse Gas Emissions for the Company's Türkiye and Romania operations.

Scope 3 :
The company's greenhouse gas emissions (tCO_2e) from purchased raw materials and services, capital goods, fuel and energy-related activities, transportation and distribution for production (upstream & downstream), waste generated in operations, business travel, employee commuting, processing of sold products, use of sold products , franchises and investments are calculated.

Total = Scope 1 emissions (tons CO_2e) + Scope 2 emissions (tons CO_2e) + Scope 3 emissions (tons CO_2e)

Energy Consumption (GJ)
The Company's direct non-renewable energy consumption in Türkiye and Romania - including Stationary Combustion (Natural Gas (Sm^3); Diesel (L); LPG (kg); Propane (kg); Methanol (kg) and Mobile Combustion (Diesel (L); Gasoline (L)), Stationary Air Conditioning Leaks (HFC-134a, HFC-407C, R-410A etc. (kg)), Mobile Air Conditioning Leaks (HFC-134a, 1234YF (kg)), Welding and Fire Extinguisher Cylinder Leaks (HB 212, HB 220, HB 205, CO_2, CO_2 Fire Extinguishers (kg)), Greenhouse Gas Emissions from Process Gases Oil Vapor (Opet Fuchs Anticorit RP, cutting fluid, lapping oil, washer fluid, heat treatment fluid & oil, degreasing (kg)) and VOC (kg) - is calculated.
The Company's direct non-renewable energy consumption includes natural gas consumption and emissions from mobile combustion as primary fuel sources.

IPCC 5^{th} assessment document is taken as reference in calculating GWP coefficients and emission factors.
Natural gas data has been converted from cubic meters to gigajoules (GJ) according to the Intergovernmental Panel on Climate Change (IPCC) 2006 National Greenhouse Gas Inventory Guidelines.

After natural gas consumption data is obtained from invoices as Sm^3, the density (kg/m^3) and lower calorific value (TJ/kg) received from the locations' natural gas providers are multiplied and calculated by converting to TJ value and then to GJ with unit conversion.

Diesel consumption from stationary combustion is taken from the system in L; density (kg/L) and lower calorific value (TJ/ kg) are multiplied to find the TJ value and then GJ with unit conversion.

LPG consumption from stationary combustion is taken from the system in L; density (kg/L) and lower calorific value (TJ/kg) are multiplied to find the TJ value and then GJ with unit conversion.

Propane consumption from stationary combustion is taken from the system in kg; density (kg/L) and lower calorific value (TJ/ kg) are multiplied to find the TJ value and then GJ with unit conversion.

Methanol consumption from stationary combustion is taken from the system in kg; density (kg/L) and lower calorific value (TJ/kg) are multiplied to find the TJ value and then GJ with unit conversion.

Diesel consumption from mobile combustion is taken from the system in L; density (kg/L) and lower calorific value (TJ/kg) are multiplied to find the TJ value and then GJ with unit conversion.

Gasoline consumption from mobile combustion is taken from the system in L; density (kg/L) and lower calorific value (TJ/kg) are multiplied to find the TJ value and then GJ with unit conversion.

Additional Disclosures on Calculating Metrics

DIRECT GREENHOUSE GAS EMISSIONS

GHG EMISSIONS FROM STATIONARY COMBUSTION

Fuell Type	Density Conversion Coefficient	Lower Calorific Value	Emission Factor - CO_2	Emission Factor - CH_4	Emission Factor - N_2O
	kg/lt - kg/m³	TJ/kg	ton/TJ	ton/TJ	ton/TJ
Diesel (lt)	0.83	0.000043	74.1	0.003	0.0006
Fuel Oil No:6 (lt)	0.94	0.00004	77.4	0.003	0.0006
LPG (kg)	N/A	0.000047	63.1	0.001	0.0001
Natural Gas (Sm³)	Kocaeli-0.726297260273972	0.000048	56.1	0.001	0.0001
	Eskişehir-0.732				
	Sancaktepe-0.735				
	Romania-0.77				
Propane (kg)	N/A	0.000047	63.1	0.001	0.0001
Methanol (kg)	N/A	0.000027	70.8	0.003	0.0006

DIRECT GREENHOUSE GAS EMISSIONS

GHG EMISSIONS FROM MOBILE COMBUSTION

Fuel Type	Density Conversion Coefficient kg/lt	Lower Calorific Value TJ/kg	Emission Factor - CO_2 ton/TJ	Emission Factor - CH_4 ton/TJ	Emission Factor - N_2O ton/TJ
Kocaeli Assembly Line –Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Assembly Line – Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Kocaeli Port fuel filling – Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Port fuel filling – Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Kocaeli Facility Vehicles On-site Filling - Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Kocaeli Facility Vehicles On-site Filling - Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Kocaeli Facility Vehicles External Filling (AVI system) - Gasoline (lt)	0.83	0.000043	74.1	0.0039	0.0039
Kocaeli Facility Vehicles External Filling (AVI system) - Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Eskisehir Assembly Line -Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Eskisehir Facility Vehicles On-site Filling - Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Eskisehir Facility Vehicles On-site Filling - Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Eskisehir Facility Vehicles External Filling (AVI system) - Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Eskisehir Facility Vehicles External Filling (AVI system) - Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Sancaktepe Facility Vehicles On-site Filling - Diesel (lt)	0.83	0.000043	74.1	0.0039	0.0039
Sancaktepe Facility Vehicles On-site Filling - Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Sancaktepe Facility Vehicles External Filling (AVI system) - Diesel (lt)	0.83	0.000043	74.1	0.004	0.0039
Sancaktepe Facility Vehicles External Filling (AVI system) - Gasoline (lt)	0.735	0.000044	69.3	0.025	0.008
Craiova- Diesel for first filling	0.83	0.000043	74.1	0.004	0.0039
Craiova- Gasoline for first filling	0.735	0.000044	69.3	0.025	0.008
Craiova- company cars- diesel	0.83	0.000043	74.1	0.004	0.0039
Craiova- company cars- gasoline	0.735	0.000044	69.3	0.025	0.008

Methodologies and Assumptions Used in Calculating Emissions

Emission Source	Method Reference/Formula	Emission Factor / Lower Calorific Value	Reasons for Choice of Method and Assumptions
Greenhouse gas emissions from stationary combustion (natural gas, LPG, diesel, methanol, propane)	2006 IPCC Guidelines for National Greenhouse Gas Inventories, Chapter 2: Stationary Combustion – Volume 2: Energy, Equation 2.1	Emission factor = 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 2: Stationary Combustion – Table 2.3: Default emission factors for stationary combustion in manufacturing industries and construction	Calculation methods, emission factors, and lower calorific values were taken from the IPCC 2006 guidance documents, which are internationally accepted guidelines for calculating the inventories of countries and greenhouse gas producers under the UN Framework Convention on Climate Change. National regulatory values, excluding natural gas, were used in calculating the densities of energy sources. The natural gas regulatory value indicated in the national regulation is lower than international values, therefore the higher GHG Protocol value was used for conservative purposes.
	CO_2 equivalent greenhouse gas (kg) = Fuel consumption (T J) x Emission factor (kg fuel /TJ) x Global warming contribution value	Lower calorific value = 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1: Stationary Combustion – Table 1.2	For the emission factor and lower calorific values: In addition to the lower calorific value and emission factor in IPCC 2006, two more alternatives were calculated and compared. Alternative 2: Lower calorific values of the energy sources were taken from the "Regulation on Increasing Efficiency in Energy Resources and Energy Use" (Official Gazette No. 27035/25 October 2008) currently applicable in Türkiye. The emission factors were taken from IPCC 2006, as in the other alternatives. The greenhouse gas calculated with this approach is 1.2% lower within the category than the inventory value accepted in Alternative 1.
	The default oxidation factor is assumed to be 1.	Assumptions: 1 – Since the IPCC does not provide a specific lower calorific value for propane, that of LPG has been used. According to the Material Safety Data Sheet (MSDS), LPG contains 60% propane. 2 - Since the IPCC does not provide data for methanol, lower calorific value and emission factor of biogasoline have been used. Biogasoline is a methyl or ethyl ester fuel containing medium-length C16-C18 fatty acid chains. Biogasoline has similar properties to methanol due to the presence of methyl or ethyl esters containing medium length C16-C18 fatty acid chains in its chemical composition. The lower calorific value of biogasoline is determined by the IPCC as TJ/Gg. The kcal/kg conversion $kcal/kg = \left(\frac{1}{4.186 \times 10^{-3}} / 10^{9}\right) TJ/Gg$ $27 TJ/Gg \times \left(\frac{1}{4.186 \times 10^{-3}} / 10^{9}\right) = 6450.07 \ kcal/kg$	Alternative 3: An assessment was made in accordance with EU Directive 2003/87/EC "Establishing a scheme for greenhouse gas emission allowance trading within the Community," given that Türkiye is in the process of harmonizing with its own legislations. Accordingly, the 2007/589/EC: Commission Decision of 18 July 2007 "establishing guidelines for the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council" should be taken into account in choosing lower calorific values and Emission factors. As specified in this document, for our Category B facility (stationary source combustion facilities with emissions between 50 kilotons and 500 kilotons of CO_2), the Tier 2a and Tier 2b approaches should be applied for lower calorific values and emission factors. In this context, data from the 2009 report, the most recent one submitted by Türkiye to the UNFCCC, was taken into account. Here, the lower calorific values of the energy sources were used as national lower calorific values (Tier 2a), and the IPCC emission factors (Tier 1) for the emission factors. Therefore, calculation according to this alternative allowed for using lower calorific values as Tier 2a. However, since no other official data is available for Türkiye, the emission factors were taken from the IPCC. Since only methanol and fuel oil have NCV values in the UNFCC tables, the IPCC lower calorific values were used for these fuels. Emissions from stationary combustion calculated with this approach are 8% higher than the accepted approach in the inventory. Calculations based on alternatives are also shown in the inventory tables in the annex of the report.

Methodologies and Assumptions Used in Calculating Emissions

Emission Source	Method Reference/Formula	Emission Factor / Lower Calorific Value	Reasons for Choice of Method and Assumptions
Mobile combustion	IPCC Guidelines for National Greenhouse Gas Inventories), Volume 2, Chapter 3: Mobile Combustion	Emission factor = IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 3: Mobile Combustion – Table 3.2.1: Road transport default CO_2 emission factors and uncertainty ranges	Calculation methods, emission factors, and lower calorific values were taken from the IPCC 2006 guidance documents, which are internationally accepted guidelines for calculating the inventories of countries and greenhouse gas producers under the UN Framework Convention on Climate Change. The density values were taken from national regulations. Since a comparison of these values with the density values obtained from the supplier indicated a difference of 0.4-0.6%, the regulatory values were used in the inventory.
	Equation 3.2.1: CO_2 from road transport	Table 3.2.2: Road transport N_2O and CH_4 default emission factors and uncertainty ranges	For the emission factor and lower calorific values, a comparison was made through calculations according to two alternatives in addition to the lower calorific value and emission factor in IPCC 2006.
	Equation 3.2.2: Emissions of CH_4 and N_2O	Lower calorific value = 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1: Stationary Combustion – Table 1.2	Alternative 2: Lower calorific values of the energy sources were taken from the "Regulation on Increasing Efficiency in Energy Resources and Energy Use" (Official Gazette No. 27035/25 October 2008) currently applicable in Türkiye. The emission factors were taken from IPCC 2006 Tier 1, as in the other alternatives. The greenhouse gas calculated with this approach is 4% lower than the inventory value accepted in Alternative 1.
	CO_2 (kg) = Fuel consumption (TJ) x Emission factor (kg fuel /TJ)		Alternative 3: Calculations were made using the lower calorific values of energy resources specified in Türkiye's 2009 UNFCCC report, along with the IPCC 2006 emission factors. Accordingly, emissions were found to be 3% lower. Since the emission factors for N_2O and CH_4 in the 2009 UNFCCC tables are in km, and we do not have km data, comparisons cannot be made using these emission factors. The equivalent CO_2 emissions resulting from CH_4 and N_2O emissions constitute 0.02% of Ford Otosan's total emissions. This ratio is not significant enough to affect materiality.
	CH_4, N_2O = Fuel consumption (TJ) x Emission factor (kg fuel /TJ)		

Methodologies and Assumptions Used in Calculating Emissions

Emission Source	Method Reference/Formula	Emission Factor / Lower Calorific Value	Reasons for Choice of Method and Assumptions
Electricity consumption	CO_2 equivalent greenhouse gas (kg) = Electricity consumption × Emission factor *GHG Protocol, Indirect CO_2. emissions from the consumption of purchased electricity, heat, and/or steam, Calculation Tool (January 2007), Version 1.2*	Emission factor = IEA International Energy Agency – 2008 Table: CO_2 emissions per kWh from electricity and heat generation CO_2 emissions per kWh from electricity and heat generation	The electricity used at all four Ford Otosan locations is sourced from the national grid, albeit through different suppliers. Since the suppliers are not able to provide emission factors, the most current emission factor for Türkiye was obtained from the International Energy Agency. More recent data for Türkiye is not available.
Refrigerants (R134a) filled into manufactured vehicles	CO_2 equivalent greenhouse gas (kg) = Consumption amount x Global Warming Contribution Value (Consumption amount = Year-end refrigerant inventory-Yearbeginning refrigerant inventory+Purchased refrigerant amount) *GHG Protocole Calculating HFC and PFC Emissions from the Manufacturing, Servicing, and/or Disposal of Refrigeration and Air-Conditioning Equipment Calculation Worksheets, Version 1.0*	-	Methodologies for refrigerants are specified in the IPPC and GHG Protocol. Given that the methodologies are similar, GHG calculation tables were used. Since the GHG Protocol calculations are referenced to the IPCC, these GHG tables were used in the calculations.
Refrigerants (R22, R134a, R135a, R410a,)	CO_2 equivalent greenhouse gas (kg) = Consumption amount x Global Warming Contribution Value	-	Air conditioning systems in non-production areas are initially installed by the supplier and come already filled with refrigerant. Therefore, the initial refill leak is not included in the calculations. Leaks in the use-phase are calculated based on the amount of refrigerant filled within the year.
Welding gases (Argoshield5/Corgon 5S2 , Argoshield 12/Corgon 12S2, Argoshield 20/Corgon 20S2)	CO_2 (kg) = Consumption amount(kg) x % CO_2 rate		No international calculation method has been found for calculating emissions from welding processes. Therefore, the amount of greenhouse gases in the mixed gas consumed within the inventory period was calculated using the CO_2 gas ratio specified in Linde's Corgon gas MSDS and assuming that all of the gas is released into the atmosphere as emissions. Corgon gas consumption is recorded in the system in units. Therefore, Corgon gas consumption is calculated by multiplying the consumption amount, the cylinder volume, and the density of the gases. Linde's Corgon gas MSDS was used as the reference for gas density.

Methodologies and Assumptions Used in Calculating Emissions

Emission Source	Method Reference/Formula	Emission Factor / Lower Calorific Value	Reasons for Choice of Method and Assumptions
CO_2 emissions	CO_2 emissions (kg) = Consumption amount (kg)		In calculating the greenhouse gas emissions from fire extinguishers and CO_2 cylinders used for various purposes, all of the gas consumed during the inventory period was assumed to have been emitted into the atmosphere.
SF_6	CO_2 emissions (kg) = Consumption amount x Global Warming Contribution Value	GHG Protocol Revised Edition: Calculation of PFC Emissions from the Production of Semiconductor Wafers – Calculation Tool, October 2001, Version 1.0	Ford SF_6 gases, GHG Protocol's Calculation Tool was used.
		Emissions $PFC_i = PFC_i*(1-h)[(1-C_i)(1-A_i)*GWP_i + B_i*GWPCF_4*(1-A_{CF_4})]$ **h** = Fraction of gas_i remaining in container (heel) **PFC_i** = Purchases of gas_i = kgs_i **kgs_i** = Mass of gas_i purchased **GWP_i** = 100-year Global Warming Potential of gas_i **C_i** = Average utilization factor of gas_i (average for all etch and CVD processes) = 1 – EFi **EF_i** = Average emission factor of gas_i (average for all etch and CVD processes) **B_i** = Mass of CF_4 formed per unit mass of PFC_i transformed **A_i** = Fraction of PFC_i destroyed by abatement = $a_{ij} \times V_a$ **A_{cf_4}** = Fraction of PFC_i converted to CF_4 and destroyed by abatement = $a_{cf_4} \times V_a$ **a_{ij}** = Average destruction efficiency of abatement $tool_j$ for gas_i **A_{cf_4}** = Average destruction efficiency of abatement $tool_j$ for CF_4 **V_a** = Fraction of gas_i that is fed into the abatement tools	
Oil steam	IPCC Guidelines for National Greenhouse Gas Inventories s Inventories, Volume 3, Chapter 5: Non-Energy Product from Fuels and Solvent Use – Equation 5.2	For lower calorific value: 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1: Introduction – Table 1.2: Default net calorific values (NCVs) and lower and upper limits of the 95 percent confidence intervals	A wide range of cutting fluids and heat treatment fluids are used in production. This formula was used because manufacturers did not provide information on the lower calorific values and carbon contents of these fluids.
	CO_2 emissions (kg) = Lower calorific value x Carbon content x Oxidation during use x 44 /12	For In-Use Oxidation (ODU): 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 3, Chapter 5: Non-energy product and feedstock use of fuels – Table 5.2: Default Oxidation Fractions for Lubricating Oils, Grease and Lubricants in General	
		For Carbon Content Ratio: 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1: Introduction – Table 1.3: Default values of carbon content	

Methodologies and Assumptions Used in Calculating Emissions

Emission Source	Method Reference/Formula	Emission Factor / Lower Calorific Value	Reasons for Choice of Method and Assumptions
Incinerated solvents	IPCC Guidelines for National Greenhouse Gas Inventories , Volume 2, Chapter 2: Stationary Combustion – Volume 2: Energy	IPCC Guidelines for National Greenhouse Gas Inventories National Greenhouse Gas Inventories, Volume 2, Chapter 2: Stationary Combustion – Table 2.3: Default emission factors for stationary combustion in manufacturing industries and construction	Because there was no internationally accepted formula available for incinerated solvents, the IPCC methodology for Stationary Combustion was used. Since many different solvents are used and the emission factors for these solvents are not available, the emission factor for white spirit, which appeared to have similar properties, was used. An analysis of white spirit MSDS revealed that the areas of use were similar to those for the solvents transported to the incinerator. The annual mass-balance report prepared by TÜBİTAK was used to calculate the solvent transported to the incinerator.
	Intergovernmental Panel on Climate Change -IPCC 2006, Equation 2.1	Lower calorific value = 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1: Stationary Combustion – Table 1.2	
	CO_2 equivalent greenhouse gas (kg) = Fuel consumption (TJ) x Emission factor (kg fuel /TJ) x Global warming contribution value		
	The default oxidation factor is assumed to be 1.		
Scope 3- Category 1. Purchased goods and services – raw materials	GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p.162.	Cradle-to-gate emission factors of the purchased goods per unit of mass or unit of product (e.g. kg CO_2e/kg or kg CO_2e/hour spent)	Ford Otosan calculated all emissions from purchased goods through modeling for four vehicle lines, comprising three vehicle classes: B460 (LCV), V362 & V362 (MCV), and F-Max (HCV). Material information for the vehicles was obtained as raw data from IMDS, and then refined and used in the calculations, taking into account vehicle weights and interior components. Materials are grouped into five categories: metals, plastics, liquids, electronics, and others. The material information was matched with the material information in the SimaPRO analysis software using database details. In addition to the material and production method, the amount of CO_2 generated from logistics between Tier 2 and Tier 1 approached was also included in the calculations.
	Average data method		
	Sum of purchased goods: Σ(Mass of purchased good or service (kg) × Emission factor per unit mass of purchased good or service (kg CO_2e/kg))		

Methodologies and Assumptions Used in Calculating Emissions

Emission Source	Method Reference/Formula	Emission Factor / Lower Calorific Value	Reasons for Choice of Method and Assumptions
Scope 3- Category 1b. Purchased services	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p.162	Cradle-to-gate emission factors of the purchased services per unit of mass or unit of product (e.g. kg CO_2e/hour spent)	Ford Otosan's calculations for purchased services involved matching the purchased values with the relevant emission factors in the USEEIO model.
	Average data method		
	Sum of purchased services: Σ(Unit of good or service purchased (e.g., piece) × Emission factor of purchased good or service per reference unit (e.g., kg CO_2e/piece))		
Scope 3-Category 2. Capital goods	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p.164	Cradle-to-gate emission factors of the capital goods per unit of mass or unit of product (e.g. kg CO_2e/kg or CO_2e/hour spent)	Ford Otosan's capital goods calculations involved matching the monetary values of purchases with the relevant emission factors in the USEEIO model.
	Average data method		
	Sum of capital goods: Σ(Mass of capital good (kg) × Emission factor per unit mass of capital good (kg CO_2e/kg) or Σ(Unit of capital good (e.g., unit) × Emission factor per reference unit of capital good (e.g., kg CO_2e/unit))		

Methodologies and Assumptions Used in Calculating Emissions

Emission Source	Method Reference/Formula	Emission Factor / Lower Calorific Value	Reasons for Choice of Method and Assumptions
Scope 3-Category 3. Fuel- and Energy-Related Activities	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p. 165	Average data method · Country average transmission & distribution loss rate (%) · Regional average transmission & distribution loss rate (%) · Global average transmission & distribution loss rate (%)	Fuel consumption data and electricity consumption data from Scope 1 and Scope 2 emissions are used to calculate this category. Emission factors are obtained from the DEFRA emission factors database. The calculation method is based on the Greenhouse Gas Protocol Corporate Value Chain - Scope 3 Standard.
	Average data method		
	Total by supplier, region, or country: Σ(Electricity consumption (kWh) × electricity lifecycle emission factor (kg CO_2e/kWh) × transmission and distribution (T&D) loss rate (%)) +(Steam consumption (kWh) × steam lifecycle emission factor (kg CO_2e/kWh) × T&D loss rate (%)) +(Heating consumption (kWh) × heating lifecycle emission factor (kg CO_2e/kWh) × T&D loss rate (%)) +(Cooling consumption (kWh) × cooling lifecycle emission factor (kg CO_2e/kWh) × T&D loss rate (%))		
Scope 3-Category 4. Upstream logistics	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p. 167	Emission factor by mode of transport (e.g., rail, air, etc) or vehicle types (e.g., articulated lorry, container vessel, etc), expressed in units of greenhouse gases (CO_2, CH_4, N_2O) per unit of mass (tonne) or volume (e.g., TEU) travelled (e.g., km)	For this category, specific transported weight data and specific transportation distance data were obtained from each of Ford Otosan's logistics providers. Emission factors were obtained from the DEFRA emission factor database. The calculation method is based on the Greenhouse Gas Protocol Corporate Value Chain - Scope 3 Standard.
	Method based on distance		
	Sum of transport modes and/or vehicle types: Σ(mass of goods purchased (tonnes or volume) × distance travelled in transport leg (km) × emission factor of transport mode or vehicle type (kg CO_2e/tonne or volume/km))		

Methodologies and Assumptions Used in Calculating Emissions

Emission Source	Method Reference/Formula	Emission Factor / Lower Calorific Value	Reasons for Choice of Method and Assumptions
Scope 3-Category 5. Wastes from operations	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p. 170	Sum of waste types: (Amount of waste generated (tons or m^3) × Emission factor specific to waste type and waste processing method (kg CO_2e/ton or m^3))	This data is based on the calculation of the total hazardous and scrap waste procured by Ford Otosan and reported to the Ministry during the relevant reporting period, using DEFRA emission factors. This category includes solid waste management by specific disposal method.
	Method specific to fuel type		
	Sum of waste types: Σ(Amount of waste generated (tons or m^3) × Emission factor specific to waste type and waste treatment method (kg CO_2e/ton or m^3))		
Scope 3-Category 6. Business travel	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p. 171	• Emission factors representing kilograms of CO_2e emitted per kilometer or passenger-kilometer for each mode of transport (e.g., air, rail, metro, bus, taxi, etc.) • Electricity emission factors for electric vehicles (if applicable), expressed in emission units per kilometer or passenger-kilometer	Flight distance data was multiplied by air travel emission factors. Emission factors were obtained from the DEFRA emission factor database. The calculation method is based on the Greenhouse Gas Protocol Corporate Value Chain - Scope 3 Standard.
	Method based on distance		
	Sum of vehicle types: Σ(Distance traveled by vehicle type (vehicle-km or passenger-km) × vehicle-type-specific emission factor (kg CO_2e/vehicle-km or kg CO_2e/passenger-km)) +(optional) Σ (Number of annual stays (nights) × hotel emission factor (kg CO_2e/night))		

Methodologies and Assumptions Used in Calculating Emissions

Emission Source	Method Reference/Formula	Emission Factor / Lower Calorific Value	Reasons for Choice of Method and Assumptions
Scope 3-Category 7. Employee commuting	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p. 172. Method based on distance First, the total distance traveled for each vehicle type is summed across all employees: Total distance traveled by vehicle type (vehicle-km or passenger-km) = Σ (Daily one-way distance from home to work (km) × 2 × annual number of commuting days). Then, total emissions from vehicle types are calculated: kg CO_2e from employee commuting =Σ (Total distance traveled by vehicle type (vehicle-km or passenger-km) × vehicle-type-specific emission factor (kg CO_2e/vehicle-km or kg CO_2e/passenger-km)) + (optionally) for each energy source used for remote working: Σ (Amount of energy consumed (kWh) × energy source-specific emission factor (kg CO_2e/kWh))	Emission factors for each mode of transport (usually expressed in units of greenhouse gas (CO_2, CH_4, N_2O, or CO_2e) emitted per passenger-kilometer travelled)	These data cover emissions from daily employee commuting by shuttle buses (road). Distance traveled data was provided by the supplier. Employee commuting data was multiplied by air travel emission factors. Emission factors were obtained from the DEFRA emission factor database. The calculation method is based on the Greenhouse Gas Protocol Corporate Value Chain - Scope 3 Standard.
Scope 3-Category 9. Downstream logistics	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p. 174 Method based on distance Sum across transport modes and/or vehicle types: Σ(Mass of purchased goods (tons or volume) × distance traveled during transportation (km) × Emission factor for transportation mode or vehicle type (kg CO_2e/ton or volume/km)	Emission factor by mode of transport (e.g., rail, air, etc) or vehicle types (e.g., articulated lorry, container vessel, etc), expressed in units of greenhouse gases (CO_2, CH_4, N_2O) per unit of mass (tonne) or volume (e.g., TEU) travelled (e.g., km)	For this category, specific transported weight data and specific transportation distance data were based on a Ford Otosan customer. Emission factors were obtained from the DEFRA emission factor database. The calculation method is based on the Greenhouse Gas Protocol Corporate Value Chain - Scope 3 Standard.

Methodologies and Assumptions Used in Calculating Emissions

Emission Source	Method Reference/Formula	Emission Factor / Lower Calorific Value	Reasons for Choice of Method and Assumptions
Scope 3-Category 10. Processing of sold products	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p. 176.	Companies must collect either: · Average emission factors for downstream processes for the conversion of the intermediate products sold, expressed in emission units per unit of product (e.g., kg CO_2, CH_4, N_2O) (e.g., kg CO_2/kg final product). Or: · Life cycle emission factors of products sold · Life cycle emission factors of final products	
	Average data method		
	Sum of intermediate products: Σ(Mass of intermediate product sold (kg) × Emission factor of processing of sold products (kg CO_2e/kg final product))		
Scope 3-Category 11. Use of sold products	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p. 177	Emission factors for fuels	Total mileage was calculated for the use-phased (10 years) of vehicles sold, including all vehicle segments (HCV, MCV, LCV, and passenger vehicles). Annual mileage values were calculated by averaging the historic actual mileage data from customer vehicles sold, based on vehicle control models. Energy (fuel and electricity) consumption values for each control model were calculated by increasing the official WLTP and VECTO adjustments by 10% to reflect real-world operating conditions. Well-to-wheel intensity values derived from the energy production of the energy source used (fuel and electricity) were applied in calculations on a country or continent basis. The CO_2 equivalent impact from AdBlue consumption and N_2O emissions from internal combustion vehicles' well-to-wheel intensity was included in the calculations. Assuming that the vehicles are refilled with refrigerant gas 1.5 times throughout their lifespan, the impact of air conditioning gases (R134A and 1234YF) was taken into account based on the CO_2 equivalent impact of the gas used.
	Products that directly consume energy (fuel or electricity) during use		
	Sum of fuel consumed during product use: Σ(Total expected life of the product (10 years × real-world annual mileage) × number of vehicles sold during the reporting period × real-world energy consumption per km (WLTP / VECTO + 10% real-world factor kWh/km or L/km) × well- to-wheel emission intensity factor for energy source by country/region (kg CO_2e/kWh Electricity or kg CO_2e/L Fuel) + AdBlue well-to-wheel CO_2e impact for diesel vehicles + CO_2e impact from N_2O emissions for all internal combustion vehicles + refrigerant impact for all vehicles)		

Methodologies and Assumptions Used in Calculating Emissions

Emission Source	Method Reference/Formula	Emission Factor / Lower Calorific Value	Reasons for Choice of Method and Assumptions
Scope 3-Category 12. End-of-life Treatment of Sold Products	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p. 179	Average waste treatment-specific emission factors based on all waste disposal types	The emission factor data set is provided in Ecoinvent v3.6 as used vehicle disposal scenario data.
	Method specific to waste type		
	Sum of waste treatment methods for aftermarket products and packaging: Σ(total aftermarket product and packaging mass (kg) × waste treatment method percentage of total waste × waste treatment method emission factor (kg CO_2e/kg))		
Scope 3-Category 14. Franchises	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p. 182		A calculation is made by multiplying the electricity and natural gas consumption of a franchise with high square footage by the square footage of other franchises.
	Average data method		
	Sum of franchises: Σ(Scope 1 emissions + Scope 2 emissions of each franchise (kg CO_2e))		
Scope 3-Category 15. Investments	GHG Protocol, Technical Guidance for Accounting Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2013, p. 182.	Scope 1 and Scope 2 emissions of the investee company · The investor's equity stake in the investee company · If significant, companies should also collect scope 3 emissions of investee company (if investee companies are unable to provide scope 3 emissions data, scope 3 emissions may need to be estimated using the Average-data method)	Ford Otosan's ownership interest (0.59%) in Otokar's greenhouse gas emissions is included in the emission calculation.
	Method specific to investment		
	Sum of equity investments: Σ(scope 1 and scope 2 emissions of equity investment × equity share (%))		

Additional Disclosures on Calculating Metrics

Indirect Renewable Energy Consumption

Electricity (MWh) and Steam (MWh) are calculated within the scope of the Company's indirect renewable energy consumption in Türkiye and Romania. Türkiye locations purchase 100% renewable electrical energy (I-REC). The Romania location's electricity is also sourced from 100% renewable energy.

Electricity and steam are reported as primary fuel sources in the Company's indirect renewable energy consumption. After electricity consumption data is obtained from electricity bills and I-REC and other renewable energy certificates in MWh, it is first converted to kWh and then to GJ. (1 GJ: 277,77778 kWh; 1kWh: 0.0036 GJ)

Energy Resource	kg CO_2e/kWh	Reference
Electricity	0.4331	IEA
Steam	0.4107	IEA

Water Withdrawal - Total (m^3)

Municipal water: Water consumed by the facility and used through the municipal grid.

Groundwater: The facility's use of underground water resources.

Rainwater: The amount of harvested rainwater used by the facility.

Formula:
Water Withdrawal-Total (m^3) = Municipal water (m^3) + Groundwater (m^3) + Rainwater (m^3)

Amount of Recovered Water and Wastewater (m^3)

Recovered Water: The amount of water that the facility treats for reuse.

Total Water Discharge Excluding Rainwater and Domestic Waste: Total amount of water generated by the discharge of water originating from business operations, excluding rainwater and domestic waste, into the environment without any intended use.

Formula:

Total Recovered and Discharged Water (m^3) = Recovered Water (m^3) + Total Water Excluding Rainwater and Domestic Waste (m^3)

Annexes

Limited Assurance Statement on TSRS-Compliant Sustainability Report

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LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED UNDER THE TURKISH SUSTAINABILITY REPORTING STANDARDS OF FORD OTOMOTİV SANAYİ A.Ş. AND ITS SUBSIDIARIES

To the General Assembly of Ford Otomotiv Sanayi A.Ş.,

We have been assigned to perform limited assurance engagement on the information ("Sustainability Information") presented in accordance with the Turkiye Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Turkiye Sustainability Reporting Standards 2 "Climate-Related Disclosures" of Ford Otomotiv Sanayi A.Ş. and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2024.

Our assurance engagement does not include the information related to prior periods and other information associated with Sustainability Information (including any images, audio files, website links or embedded videos) .

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, as summarized under the section "Summary of the Work we Performed as the Basis for our Assurance Conclusion", nothing has come to our attention that causes us to believe that Group's Sustainability Information for the year ending December 31, 2024, has not been prepared in accordance with the Turkiye Sustainability Reporting Standards ("TSRS"), as published by the Public Oversight Accounting and Auditing Standards Authority of Turkiye ("POA") in the Official Gazette dated December 29, 2023 and numbered 32414(M). We do not provide any assurance conclusion regarding the information related to prior periods and any other information associated with the Sustainability Information (including any images, audio files, website links or embedded videos).

Inherent Limitations in the Preparation of Sustainability Information

The Sustainability Information is subject to inherent uncertainties due to lack of scientific and economic information. The inadequacy of scientific data leads to uncertainties in the calculation of greenhouse gas emissions. Additionally, due to the lack of data regarding the likelihood, frequency, and impacts of potential physical and transition climate risks, the Sustainability Information is subject to uncertainties related to climate-related scenarios.

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Responsibilities of Management and Those Charged with Governance Regarding Sustainability Information

The Group's Management is responsible for:

- Preparing the Sustainability Information in accordance with the principles of Turkiye Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- Additionally, the Group Management is responsible for selecting and implementing appropriate sustainability reporting methodologies as well as making reasonable assumptions and suitable estimates.

Those Charged with Governance is responsible for overseeing the Group's sustainability reporting process

Responsibilities of the Independent Auditor Regarding the Limited Assurance of Sustainability Information

We are responsible for the following:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Group Management.

Since we are responsible for providing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation process of the Sustainability Information in order to ensure that our independence is not compromised.

Professional Standards Applied

We performed a limited assurance engagement in accordance with the Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements "3410 Assurance Engagements on Greenhouse Gas Statements", issued by POA.

Annexes

Limited Assurance Statement on TSRS-Compliant Sustainability Report

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Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Independent Auditors, issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk management specialists. We have used the work of our expert team to assess the reliability of the information and assumptions related to the Group's climate and sustainability-related risks and opportunities. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information,

- Face-to-face and online interviews were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period.
- The Group's internal documentation was used to review and assess the sustainability related information.
- The disclosure and presentation of sustainability-related information have been evaluated.
- Through inquiries, we obtained an understanding of Group's control environment and information systems relevant to the preparation of the Sustainability Information. However, we did not evaluate the design of particular control activities, we did not obtain evidence about their implementation or we did not test their operating effectiveness.
- The appropriateness and consistency of the Group's estimation development methods were evaluated. However our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates.

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The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Didem Tuşel Özdoğan, SMMM
Partner

30 July 2025
İstanbul, Türkiye

FORD OTOSAN

TRADE NAME
Ford Otomotiv Sanayi A.Ş.

TRADE REGISTRY NO.
73232

MERSİS
0649002036300014

REGISTERED CAPITAL
TL 500,000,000

PAID-IN CAPITAL
TL 350,910,000

LOCATIONS

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Kocaeli Yeniköy Plant
Yeniköy Sepetlipınar Mah. Derya Cad. No: 1/1
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Eskişehir Plant
Yenice Mah. Ford Otosan Fabrika Sahası
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