Temsa Skoda Sabancı Ulaşım Araçları A.Ş.

2024 CDP Corporate Questionnaire 2024

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

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12/16/2024, 01:00 pm

Contents

C1. Introduction

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

Select from:

☑ English

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

Select from:

☑ TRY

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

(1.3.2) Organization type

Select from:

☑ Privately owned organization

(1.3.3) Description of organization

TEMSA, one of the world's leading manufacturers in bus, midibus and light-truck production with over 55 years of experience, started to operate under the partnership of Sabancı Holding and PPF Group (Skoda Transportation) as of 2020. At TEMSA Adana plant, which is established on an area of 500,000 m², a total of 10,000 vehicles are produced annually in a single shift, including 4,000 buses, midibuses, and 6,000 light trucks, with 1,460 employees. Maraton, Safir and LD buses are produced for intercity passenger and tourism, in addition, Avenue and MD9 LE buses are produced for urban public transportation, as well as TS35, TS30, TS45 buses for USA market and the MD9 and Prestij for Midi Coach segments produced for European market at TEMSA's Adana plant. With nearly 15,000 vehicles on the roads in 66 countries world-wide, TEMSA exports to European countries such as France, Germany, England, Italy, Austria, Sweden, Lithuania, and the Benelux, as well as the United States and various Turkish republics. TEMSA also allocates approximately 4% of its turnover to R&D studies every year. With the technology power and know-how of its sister company Skoda Transportation, TEMSA, continues to operate with the vision of being among the game-changer manufacturers in the field of electric vehicles, continues to export its electric vehicles to the cities at the top of the sustainability league in Europe.

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

(1.4.1) End date of reporting year

12/31/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

☑ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

☑ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

☑ 1 year

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

☑ 1 year

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☑ Not providing past emissions data for Scope 3

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

9170901638

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Not applicable – we do not publicly disclose financial statements

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

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

64-329-4580

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

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

Select all that apply

☑ France

☑ Germany

☑ Turkey

☑ United States of America

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

Select all that apply

☑ Light Duty Vehicles (LDV)

☑ Heavy Duty Vehicles (HDV)

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

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

(1.24.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☑ All supplier tiers known have been mapped

(1.24.7) Description of mapping process and coverage

At TEMSA, we prioritize the end-to-end management of our value chain. By 2030, we aim to improve the supply chain, disseminate sustainability principles, and continuously enhance environmental, social, and governance (ESG) performance, encouraging our partners to contribute more. Our IMPACT (Initiative for a Meaningful Partnership Achieving Carbon Targets) project targets direct suppliers (Tier 1) in the upstream value chain. We classified suppliers by type, size, industry, and macro-industry, evaluating their ESG performance with tailored surveys. The surveys, aligned with the Global Reporting Initiative (GRI) and Sustainable Development Goals (SDGs), assess corporate activities, governance, stakeholder communication, human resources, social responsibility, ethics, water and energy management, waste, emissions, certifications, exports, R&D, innovation, occupational health and safety, supply chain management, and circular economy. Performance scores from A to F are given in five categories: sustainability, environmental, sectoral, governance, and social. The results highlight areas for improvement, with action plans shared as development opportunities. We support suppliers in implementing these plans through training, on-site visits, and experience-sharing. We have evaluated 100 suppliers, representing 87% of our revenue. Critical suppliers, impacting 0.7% or more of our revenue, were identified per Sabancı Holding's Responsible Investment Policy. Their ESG scores are 37.5% B, 37.5% C, and 25% D. We aim for all critical suppliers to reach A level by 2030. Aligned with our "Together on the Journey to Sustainability" approach, we plan to extend this initiative to our entire value chain, including authorized services and dealers in 2024, covering the downstream value chain as well.

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

(1.24.1.1) Plastics mapping

Select from:

☑ No, but we plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

☑ Not an immediate strategic priority

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

Waste management, within the scope of our sustainability approach, plays a key role in minimizing our environmental impacts. Our 2045 zero waste target supports our circular economy goals. Additionally, we were awarded the "Zero Waste Basic Level" certificate in 2020 by Ministry of Environment, Urbanization and Climate Change. We also joined the Business and Sustainable Development Council Business Plastics initiative, aiming to achieve a 100% reduction in the consumption of single-use plastics in certain categories in our offices by 2024. To efficiently use the materials throughout our production activities, minimize the wastes generated, and efficiently dispose of the waste generated, we constantly analyze our process and take remedial actions. As TEMSA, we aim to expand our efforts and focus on plastic management within the value chain.

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

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

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

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

Given time horizons are defined for TEMSA's sustainability roadmap short-term, medium-term, and long-term targets, and they can vary for other departments in terms of strategy, policy, etc.

Medium-term

(2.1.1) From (years)

1

(2.1.3) To (years)

5

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

Given time horizons are defined for TEMSA's sustainability roadmap short-term, medium-term, and long-term targets, and they can vary for other departments in terms of strategy, policy, etc.

Long-term

(2.1.1) From (years)

5

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

Select from:

☑ Yes

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

Given time horizons are defined for TEMSA's sustainability roadmap short-term, medium-term, and long-term targets, and they can vary for other departments in terms of strategy, policy, etc.

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

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

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

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

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

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

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

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

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

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ Internal company methods

☑ ISO 31000 Risk Management Standard

☑ Stress tests

International methodologies and standards

☑ Environmental Impact Assessment

☑ ISO 14001 Environmental Management Standard

☑ Life Cycle Assessment

Other

☑ Internal company methods

☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Drought

☑ Landslide

☑ Wildfires

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

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

☑ Storm (including blizzards, dust, and sandstorms)

☑ Heat waves
☑ Cyclones, hurricanes, typhoons

Chronic physical

☑ Heat stress
☑ Water stress
☑ Changing wind patterns
☑ Temperature variability
☑ Water quality at a basin/catchment level
☑ Increased severity of extreme weather events
☑ Water availability at a basin/catchment level
☑ Changing temperature (air, freshwater, marine water)
☑ Changing precipitation patterns and types (rain, hail, snow/ice)

Policy

☑ Carbon pricing mechanisms
☑ Changes to international law and bilateral agreements
☑ Changes to national legislation

Market

☑ Availability and/or increased cost of certified sustainable material
☑ Availability and/or increased cost of raw materials
☑ Changing customer behavior
☑ Uncertainty in the market signals

Reputation

☑ Stigmatization of sector

Technology

☑ Data access/availability or monitoring systems
☑ Transition to lower emissions technology and products

Liability

☑ Exposure to litigation
☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Suppliers

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

Select from:

☑ No

(2.2.2.16) Further details of process

Our organization employs a comprehensive framework to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities, integrated into TEMSA's multi-disciplinary, company-wide risk management process. This framework is designed to ensure that we effectively address environmental factors across all sites. The risk and opportunity assessments are usually performed at least 3-4 times per year, whereas for risks that are rated as top risks, the frequency of assessment is even higher and can be up to 6 times per year. We begin determining our dependencies and impacts using tools such as WRI (World Resources Institute) Aqueduct, Environmental Impact Assessments (EIAs) and Life Cycle Assessment (LCA). To understand the impact of our water dependecy on the continuity of our operational activities, we used the WRI Aqueduct tool to measure the effects on TEMSA production site and critical suppliers. To assess the environmental impacts of Avenue Electron throughout its lifecycle, we conducted a Life Cycle Assessment (LCA) analysis in accordance with the ISO 14040, ISO 14044 frameworks. As TEMSA, we conduct scenario analyses to explore various environmental scenarios, such as extreme temperature, changes in water availability and assess their potential impacts on our business. This helps us prepare for a range of future conditions. The assessments cover all value-chain stages, especially for environmental risks/opportunities where downstream risks may include emerging regulations on our target markets and risks related to direct operations and upstream (supply chain) may include physical impacts of climate change. The risk identification process involves using one or a combination of methods such as, including interactive group workshops, interviews with process owners, site surveys to assess physical and operational risks, and a focus on past events such as business interruptions and financial reports. Risks are prioritized by their impacts, likelihood, vulnerability and speed of onset on business results listed in Risk Tree and Qualitative Assessment Table. Impact, likelihood, vulnerability, speed of onset grades are selected from the Scale Definitions Tables. Selection process is performed in corporation with the process owner and reviewed with entity site management. As prioritization criteria, impact, likelihood, vulnerability, speed of onset scores (with the weight rate respectively 30%, 30%, 20%, 20%) multiplied to define overall risk score. The prioritization and risk score scale is categorized into 4 levels: "Critical" for scores 3 (for risks with an impact of over 2% of the annual turnover, categorized as a "Critical", regardless of its likelihood, vulnerability, or speed of onset scores), "High" for scores 2.6 ≤…< 3, "Moderate" for scores 2 ≤…< 2.6, and "Low" for scores <2. Our environmental risk and opportunity assessment covers short, medium and long-term time periods, and is also important for us to assess compliance with our environmental commitments.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☑ Plastics

☑ Biodiversity

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

Select all that apply

☑ Impacts

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

(2.2.2.4) Coverage

Select from:

☑ Partial

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative only

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ IBAT – Integrated Biodiversity Assessment Tool

☑ WWF Biodiversity Risk Filter

Enterprise Risk Management

☑ Internal company methods

International methodologies and standards

☑ ISO 14001 Environmental Management Standard

Other

☑ Internal company methods

☑ Scenario analysis

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Suppliers

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

Select from:

☑ No

(2.2.2.16) Further details of process

To mitigate the environmental impact of the plastic materials used in our operations, we are actively exploring and assessing alternative materials with lower ecological footprints. To understand and monitor our effects on biodiversity, we have conducted a comprehensive evaluation of our production site's biodiversity impact using the WWF Biodiversity Risk Filter and the Integrated Biodiversity Assessment Tool (IBAT). These tools help us assess and address potential effects on local ecosystems, ensuring that our operations are aligned with best practices for environmental stewardship.

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

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

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

We assess interconnections between environmental dependencies, impacts, risks and opportunities through a comprehensive framework. For our production sites and critical suppliers, we utilize tools like WRI Aqueduct analysis to evaluate water-related risks and dependencies. Additionally, we perform life cycle assessments (LCAs) using tool-based methodologies to understand the environmental impacts throughout the product lifecycle. We also adhere to ISO 14001 standards, which guide our environmental management practices and address environmental risks and opportunities. These approaches collectively enable us to have a comprehensive view of how environmental factors are interconnected and manage them effectively. The results of these assessments also provide input to our risk/opportunity management framework.

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

(2.3.1) Identification of priority locations

Select from:

☑ Yes, we are currently in the process of identifying priority locations

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

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.3.3) Types of priority locations identified

Sensitive locations

☑ Areas important for biodiversity

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

Locations with substantive dependencies, impacts, risks, and/or opportunities

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

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

(2.3.4) Description of process to identify priority locations

We have assessed the impact area of our production facility using both local and global databases. Locally, under the Environmental Impact Assessment Regulation, our production site where we conduct our activities is not within the areas required to be protected according to our national legislation. The areas that need to be protected include Designated Zones for the Production and Development of Aquaculture, areas that have been reported in Air Quality Guidelines as Delicate Contamination Zones, Wildlife Conservation Areas and Wildlife Development Sites, and cultural areas such as National Parks, Natural Parks, Natural Monuments and Nature Reserves. Our operational activities do not have any impact on the flora and fauna in these areas. We also support this assessment with global databases. Using the IBAT Country Profile, we evaluated our impact on the presence of significant areas and species. According to the information in the Country Profile from The IUCN Red List of Threatened Species, Protected Areas from the World Database on Protected Areas (WDPA), and Key Biodiversity Areas (KBAs) from the World Database on Key Biodiversity Areas (WDKBA), it has been observed that our facility's location does not affect the local flora and fauna. Also, using the Global Biodiversity Information Facility database, we confirmed that we do not impact any endangered species. To understand the impact of our water dependency on the continuity of our operational activities, we used the WRI Aqueduct tool to measure the effects on TEMSA production site and critical suppliers. We conducted a WRI Aqueduct analysis to evaluate water stress and its impacts by assessing physical risks quantity such as water stress, water depletion, interannual/seasonal variability, groundwater table decline, riverine and coastal flood risk, drought risk; physical risks related to quality including untreated connected wastewater and coastal eutrophication potential; and regulatory and reputational risks such as unimproved/no drinking water, unimproved/ no sanitation, Peak RepRisk Country ESG Risk Index indicators for the TEMSA production site and critical suppliers.

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

Select from:

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

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

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Revenue

(2.4.3) Change to indicator

Select from:

☑ % decrease

(2.4.4) % change to indicator

Select from:

☑ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☑ Likelihood of effect occurring

(2.4.7) Application of definition

Substantive strategic effects are defined according to the 'risk level' of the identified risk. If the risk level is assessed as "critical" or "high", the risk is defined as a risk with substantive impact, and it should be prioritized in reporting to the Risk Committee and The Early Risk Detection Committee (ERDC). Substantive financial impact on our business is defined as an impact of more than 2% of our annual revenue. If a risk is assessed to have such an impact, the risk level is automatically identified as "Critical" regardless of its likelihood, vulnerability or speed of onset scores.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Revenue

(2.4.3) Change to indicator

Select from:

☑ % increase

(2.4.4) % change to indicator

Select from:

☑ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☑ Likelihood of effect occurring

(2.4.7) Application of definition

The qualitative aspect of the opportunity effect, which involves social projects that are positively evaluated by society, and the quantitative aspects, which involves potential areas for positive changes in annual revenue (1% or higher revenue generation) are considered as opportunity areas that could create a substantive impact for TEMSA.

C3. Disclosure of risks and opportunities

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

Climate change

(3.1.1) Environmental risks identified

Select from:

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

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

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

Select from:

☑ Evaluation in progress

(3.1.3) Please explain

Our efforts to identify environmental risks associated with plastics in the value chain are ongoing. To determine the risks arising from plastics, we plan to launch a project aimed at collecting data from our suppliers on the amount of plastic in the products, the amount of recycled plastics used, and the rates of recyclable materials.

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

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Changes to regulation of existing products and services

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Italy
☑ Spain
☑ Canada
☑ France
☑ Serbia
☑ Germany
☑ Romania
☑ Azerbaijan
☑ Sweden
☑ Turkey
☑ Belgium
☑ Czechia
☑ Georgia

(3.1.1.9) Organization-specific description of risk

The European Decarbonization Movement aims to reduce public transport emissions in European cities to zero. Therefore, it is predicted that the demand for Diesel buses will decrease by 79%. The increase in the volume of the European railway line may also reduce the amount of urban and intercity bus lines. Accordingly, a downward breakdown is expected in Diesel Bus prices between 2025 and 2026 and diesel powered Midibus sales used in urban transport is expected to be zero by 2030. European regulation usually is a pioneer in climate-related regulation, and other world countries are also expected to enforce regulations to phase out of fossil fuels in ground transportation. Conventional fueled vehicles sales to Europe made up 30.3% of our sales in the reporting year. If we are unable to respond to the new mandates on our existing product portfolio, we may face a decrease in our revenues due to reduced demand for our products. These mandates can also expand beyond EU countries, which increases the impact of the risk significantly.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced demand for products and services

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

Select all that apply

☑ Long-term

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

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ High

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

Changes in the regulation of existing products and services can significantly impact an organization's financial position, performance, and cash flows in the long term. Increased compliance costs and need for investment in new technologies may affect revenues. Regulations may also reduce operational efficiency while decreasing sales. In the short term, cash flows might decline due to compliance spending, but in the long term, innovation and sustainability strategies could enhance revenue and market positioning. Gaining a competitive edge will depend on how quickly and effectively the organization adapts to regulatory changes.

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

Select from:

☑ Yes

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

2195238725.09

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

6595712458.05

(3.1.1.25) Explanation of financial effect figure

Approach used to calculate the figure: To calculate the impact of this risk we worked on two scenarios:
Scenario 1: By 2030 not only the European market but 80% of the markets we work for have strict regulations on fossil fuels. We fail to respond to the changes in the market and still offer a product range that is mainly diesel powered. Until 2030 we gradually lose 80% of diesel sales throughout the world. (Max. financial impact scenario)
Scenario 2: Being the pioneer in climate-related regulations, to reduce public transport emissions in European cities to zero, EU bans diesel-powered public transportation vehicles by 2030, reducing the demand by 79%, but other markets don't implement such strict regulations. We fail to respond to the changes in the European market and offer a product range that is still mainly diesel powered. Until 2030 we gradually lose 79% diesel powered vehicle sales to Europe but we can still sell to other markets. (Min. financial impact scenario) Assumptions: In order to simplify the calculations, impact of inflation is not included in the calculations, but the risk impact is revised every year using the previous year's realized revenue and diesel sales rates. Our revenue for the reporting year was 9,170,901,638.00 TRY.
Min financial impact is calculated as: 9,170,901,638.00 TRY x 30.30 % x 79%=2,195,238,725.09 TRY
Max. financial impact is calculated as: 9,170,901,638.00 TRY x 89.90% x 80%= 6,595,712,458.05 TRY

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Increase investment in R&D

(3.1.1.27) Cost of response to risk

29101694

(3.1.1.28) Explanation of cost calculation

In 2023 more than 35% of our SDG-linked R&D and innovation investment budget was reserved for sustainability related projects like R&D on alternative battery technologies for electric vehicles, battery electric vehicles, hydrogen fuel cell, and fast and smart charging infrastructure projects. The cost of response is our R&D budget for 2023 reserved solely for SDG-linked R&D and innovation investment projects: 29,101,694 TRY

(3.1.1.29) Description of response

SITUATION:
In 2023 89.90 % of our revenue came from the sales of conventional fueled vehicles. If we do not improve our product portfolio, we are at risk of losing almost all of the sales revenue from conventional fueled vehicles.
TASK: Diversify the product portfolio by phasing out of diesel vehicles and investing in new low or no-carbon emitting technologies.
ACTION: In order to be able to timely respond to the changing market conditions, we are investing heavily on alternative technologies and developing strategies to increase the share of electric and alternative fuel vehicles in our product portfolio.
TIMELINE: Our long-term plan involves the entire product range consist of zero-emission vehicles by 2040 and achieve zero emissions by 2050.

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

Climate change

(3.1.2.1) Financial metric

Select from:

☑ Revenue

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

6595712458.05

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

Select from:

☑ 71-80%

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

458545081.9

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

Select from:

☑ 1-10%

(3.1.2.7) Explanation of financial figures

We estimate that approximately %5 of our total revenue could be impacted by potential climate-related events. Such events have the potential to disrupt our production activities, leading to operational inefficiencies and delays.
Financial impact calculated as follows: 9,170,901,638.00 TRY x 5%=458,545,081.90 TRY
The transitional impacts however, are expected to have a more substantive impact if we fail to response in time. These impacts are expected to happen over a long-term period and to have a gradual impact rather than an instantaneous one. Therefore, the vulnerability to transitional impacts is given as the max. impact calculated for Risk 1 under section 3.1.1 of this report. This value makes up 72% of our revenue for the reporting year.

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

Select from:

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

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

As TEMSA, we anticipate being regulated by carbon pricing systems like EU ETS, CBAM or the upcoming Turkish ETS within the next three years. Our strategy focuses on both short-term and long-term planning by regularly monitoring upcoming regulations and updates. Innovation in sustainable vehicle production and transparent emissions reporting are critical for complying with evolving regulations and maintaining competitiveness. Our compliance strategy includes proactive emissions monitoring and reducing carbon footprint through investments in low-carbon technologies such as alternative fuel vehicles, zero emission vehicles (electric, hydrogen, etc.), and energy efficiency projects. Engaging the supply chain to reduce indirect emissions and adapt pricing strategies accordingly is essential. Additionally, we assess the financial impacts of carbon pricing on our operations to ensure resilience and long-term sustainability.

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

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

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

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Italy
☑ Spain
☑ Canada
☑ France
☑ Serbia
☑ Germany
☑ Romania
☑ Azerbaijan
☑ Sweden
☑ Turkey
☑ Belgium
☑ Czechia
☑ Georgia

(3.6.1.8) Organization specific description

At TEMSA, digitalization, technology, R&D and innovation approaches are included in all our processes, from design to the final product. These investments, which serve our growth strategy, play an essential role as facilitating tools in achieving our sustainability goals. The R&D and innovation approach, which is at the core of all our operations, serves our growth strategy and makes us one of the critical stakeholders in solving global problems. With the strength we derive from our R&D culture and university-industry cooperation, we design projects that will enable us to stand out in the global market. As the first company in Turkey to receive the R&D Center certificate, TEMSA made an R&D and innovation investment of 82,378,540 TRY for projects in 2023. Among all R&D and Innovation investments, sustainability focused projects make up 35%. With the decarbonization plans of EU, the sales of electric and hydrogen powered vehicles are expected to increase especially with a potential price jump after 2026. There is also an opportunity to develop its product portfolio beyond electric busses.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues through access to new and emerging markets

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

Select all that apply

☑ Long-term

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

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ High

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

The development of new products or services through R&D and innovation can have a significant long-term impact on financial position, financial performance and cash flows. Successful innovation can lead to increased revenue by expanding market opportunities and enhancing the competitive advantage. Successful innovation drives revenue growth and improve profit margins. While initial investments may strain cash flows, over time successful products enhance financial stability by diversifying revenue streams and strengthening market position.

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

Select from:

☑ Yes

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

2751270491.4

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

7336721310.4

(3.6.1.23) Explanation of financial effect figures

Approach used to calculate the figure:
To calculate the impact of this opportunity we worked on two scenarios:
Scenario 1: The markets we operate in presents us new opportunities for our new product portfolio including, electric city and intercity buses, electric powered marine transportation and last km cargo transport vehicles. However, the transformation to electric vehicles is not as fast as we predicted and after 2030 our revenue from electric vehicle sales makes up only 30% of our total revenue.
Scenario 2: The markets we operate in are able to shift to electric vehicles rather swiftly, and with its innovative solutions, TEMSA becomes one of the pioneers in the public transportation industry. Electric powered vehicle sales make up 80% of our total revenue. Both scenarios are considered long-term (after 2030)
Figures used in calculation: 2023 Revenue: 9,170,901,638 TRY
Projected share of sustainable products in sales revenue (Scenario 1- Min. impact): 30%
Projected share of sustainable products in sales revenue (Scenario 1- Max. impact): 80%
Assumptions:
In order to simplify the calculations, impact of inflation is not included in the calculations, but the possible impact of this opportunity is revised every year using the previous year's realized revenue and sustainable products sales projections. Growth factor is also not included for simplification purposes, therefore the impact figures calculated are conservative values.
Min financial impact is calculated as: 9,170,901,638 TRY x (30%) =2,751,270,491.40 TRY
Max. financial impact is calculated as: 9,170,901,638 TRY x (80%)= 7,336,721,310.40 TRY

(3.6.1.24) Cost to realize opportunity

29101694

(3.6.1.25) Explanation of cost calculation

In 2023 more than 35% of our SDG-linked R&D and innovation investment budget was reserved for sustainability related projects like R&D on alternative battery technologies for electric vehicles, battery electric vehicles, hydrogen fuel cell, and fast and smart charging infrastructure projects. The cost of response is given as our R&D budget for 2023 reserved solely for sustainability related projects: 29,101,694 TRY

(3.6.1.26) Strategy to realize opportunity

SITUATION: In the long term share of sustainable products in our revenue is projected to increase considerably.
TASK: Diversify the product portfolio by phasing out of diesel vehicles and investing in new low or no-carbon emitting technologies.
ACTION: In order to be able to timely respond to the changing market conditions, we are investing heavily on alternative technologies and developing strategies to increase the share of electric and alternative fuel vehicles in our product portfolio.
TIMELINE: Our long-term plan involves the entire product range consist of zero-emission vehicles by 2040 and achieve zero emissions by 2050.

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

Climate change

(3.6.2.1) Financial metric

Select from:

☑ Other, please specify **:**SDG-linked R&D and innovation investments

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

29101694

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

Select from:

☑ 31-40%

(3.6.2.4) Explanation of financial figures

Among all R&D and innovation investments, sustainability focused projects make up 35% for the reporting year.

C4. Governance

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

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ Quarterly

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

Select all that apply

☑ Executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

TEMSA Human Resources Equality, Diversity and Inclusion Policy ensures an innovative culture and continuous development by respecting all differences within the company such as language, race, color, sect, age, culture, nationality, ethnicity, disability, political and religious beliefs, sexual orientation, seeing them as values. The company equalizes all differences with its inclusive approach. By ensuring that employees have equal opportunities and equal evaluation within the company, it sees the differences within the company as factors that increase performance and creativity and offers opportunities where all individuals can develop as themselves. Chief Diversity and Inclusion Officer (CDIO) is the title given to the representative who leads and coordinates the company in implementing this policy. The sponsor of the Human Resources Equality, Diversity and Inclusion Policy is TEMSA CEO/General Manager, and CDIO is responsible for monitoring and reporting the policy. This representative is the Deputy General Manager of Human Resources, Information Technologies and Sustainability. TEMSA adopts the Diversity Policy for The Board of Directors of Sabancı Holding, of which it is a joint venture. Unfortunately this policy is only published in Turkish, therefore the Turkish version is attached.

(4.1.6) Attach the policy (optional)

TEMSA Eşitlik Çeşitlilik ve Kapsayıcılık Politikası.pdf

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

Climate change

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

☑ Yes

Biodiversity

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

☑ No, but we plan to within the next two years

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

Select from:

☑ Not an immediate strategic priority

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

At TEMSA, our commitment to environmental sustainability is steadfast. We continually strive to minimize our ecological footprint and ensure our operations align with the best environmental practices. While biodiversity is a crucial global concern, it is not a primary focus for our company due to the specific nature of our operations and their location. Our manufacturing plant is situated in an area that is not considered to be at risk for biodiversity loss. Unlike industries operating in regions with sensitive ecosystems, our operations do not intersect with critical habitats or endangered species. Consequently, the direct impact of our manufacturing processes on local biodiversity is minimal. Although there is currently no board-level oversight on biodiversity at TEMSA, we are actively working on addressing this issue in the upcoming year. We are committed to integrating biodiversity considerations into our environmental strategy to ensure a comprehensive approach to sustainability.

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

Climate change

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

Select all that apply

☑ Board chair

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

Select from:

☑ Yes

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

Select all that apply

☑ Board mandate

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

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

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

Select all that apply

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

(4.1.2.7) Please explain

Chairman of Board has the highest responsibility for environmental issues in TEMSA. Our Board Chairman is responsible for directing sustainability initiatives in accordance with internal and external stakeholder expectations and leading the way in determining policies and strategies in terms of environmental issues. With the support of our Board of Directors, our chairman is responsible for: - Reviewing and guiding our environmental strategy - Reviewing and guiding the risk management strategy - Reviewing and guiding annual sustainability budgets - Overseeing major capital expenditures - Overseeing acquisitions, mergers and divestitures - Reviewing innovation/R&D priorities - Overseeing and guiding employee incentive mechanisms - Overseeing the setting of and progress towards our climate-related targets Some examples of major environmental decisions led by TEMSA's Chairman of Board in 2023: We have participated in CDP (Carbon Disclosure Project) Climate Change reporting for the first time to further improve our performance and to transparently demonstrate our climate-related impact. We started to use renewable energy in our operations through the International Renewable Energy Certificate services (IRECs), which we obtained from our electricity supplier. We carry out various projects like LED conversion and process optimization to improve our energy efficiency. Considering 2022 as the base year, we aim to reduce our water consumption per vehicle 42% by 2030.

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

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

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

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Integrating knowledge of environmental issues into board nominating process

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

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

(4.2.3) Environmental expertise of the board member

Experience

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

☑ Active member of an environmental committee or organization

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

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

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

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

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

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

☑ Conducting environmental scenario analysis

☑ Managing annual budgets related to environmental issues

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

Other
☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:
☑ Reports to the board directly

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

Select from:
☑ Quarterly

(4.3.1.6) Please explain

Our CEO is the highest management-level responsible in TEMSA. Our CEO is responsible for directing sustainability initiatives and leading the way in determining policies and strategies in terms of environmental issues. CEO attends all Board meetings which are held four times a year. All the environmental responsibilities listed under column "Environmental responsibilities of this position" is given to our CEO as he is the highest management-level position in TEMSA. Our CEO is responsible for informing the Board on environmental issues and he is informed on environmental issues by the Sustainability Committee. The sustainability department reports to the Sustainability Committee and the CEO, who is the Chairman of Sustainability Committee. The KPI's determined for monitoring of environmental issues are regularly reported to CEO, The Transformation Leadership Team (TLT) and TEMSA Management Committee (TMC).

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

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

Engagement

☑ Managing public policy engagement related to environmental issues

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

☑ Conducting environmental scenario analysis

☑ Managing annual budgets related to environmental issues

☑ Developing a business strategy which considers environmental issues

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

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

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

Select from:

☑ Half-yearly

(4.3.1.6) Please explain

Sustainability Committee conduct studies focused on sustainability strategy and meets at least three times a year. Unfortunately, half-yearly option is selected for the frequency of Sustainability Committee meetings in the CDP Portal, as there is no option available between half-yearly and quarterly. Sustainability Committee includes different units within the company to manage sustainability issues effectively. Committee chair is CEO. Principal members are General Manager (CEO), Deputy General Manager of Financial Affairs (COO), Deputy General Manager of Financial Affairs (CFO), Deputy General Manager of Human Resources and Information Technologies (CHRO), Deputy General Manager of Sales and Marketing (CSMO), Deputy General Manager of R&D and Technology (CTO), TEMSA North America (TNA) Director, TEMSA France Director, Deputy of After Sales Services and Corporate Communication Manager. Focus teams supporting the Committee in terms of climate and environment, human resources, sustainable business model and value chain functions and include employees from departments such as Maintenance and Repair, Administrative Affairs, Environment, Occupational Health and Safety, R&D, Production, Legal Consultancy, Human Resources, Quality, and Information Technologies. In addition, the Sustainability Committee monitors the necessary work for the realization of the Sustainability Roadmap approved by the Board of Directors and the CEO. In the committee meetings held at least three times a year, depending on the agenda, relevant stakeholders also attend by invitation in addition to the 10 Principal Members. The committee also benefits from the opinions of experts when necessary. The most up to date information about the status of upcoming biodiversity project, validation processes, social projects, and completed, ongoing and upcoming projects conducted by the Sustainability Department is shared in the Sustainability Committee.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

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

Engagement

☑ Managing public policy engagement related to environmental issues

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

☑ Managing environmental reporting, audit, and verification processes

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

☑ Conducting environmental scenario analysis

☑ Managing annual budgets related to environmental issues

☑ Developing a business strategy which considers environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

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

Select from:

☑ Half-yearly

(4.3.1.6) Please explain

Sustainability Committee conduct studies focused on sustainability strategy and meets at least three times a year. Unfortunately, half-yearly option is selected for the frequency of Sustainability Committee meetings in the CDP Portal, as there is no option available between half-yearly and quarterly. Sustainability Committee includes different units within the company to manage sustainability issues effectively. Committee chair is CEO. Principal members are General Manager (CEO), Deputy General Manager of Financial Affairs (COO), Deputy General Manager of Financial Affairs (CFO), Deputy General Manager of Human Resources, Information Technologies and Sustainability (CHRO), Deputy General Manager of Sales and Marketing (CSMO), Deputy General Manager of R&D and Technology (CTO), TEMSA North America (TNA) Director, TEMSA France Director, Deputy of After Sales Services, Corporate Communication Manager and Risk Manager. Focus teams supporting the Committee in terms of climate and environment, human resources, sustainable business model and value chain functions and include employees from departments such as Maintenance and Repair, Administrative Affairs, Environment, Occupational Health and Safety, R&D, Production, Legal Consultancy, Human Resources, Quality, and Information Technologies. In addition, the Sustainability Committee monitors the necessary work for the realization of the Sustainability Roadmap approved by the Board of Directors and the CEO. In the committee meetings held at least 3 times a year, depending on the agenda, relevant stakeholders also attend by invitation in addition to the 10 Principal Members. The committee also benefits from the opinions of experts when necessary. The most up to date information about emission management and water consumption per vehicle KPIs, the status of validation processes, social projects, and completed, ongoing and upcoming projects conducted by the Sustainability Department is shared in the Sustainability Committee.

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

Climate change

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

Select from:

☑ Yes

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

21.5

(4.5.3) Please explain

Perfx (Performance Management Application), which consists of three steps: goal setting, continuous performance, and year-end evaluation, in which we impartially evaluate employees' performances. In line with their performance results, we offer employees high-quality career development plans so they can reach their full potential and we support them with training. Environmental issues such as emission reduction, strategy and financial planning, resource use and efficiency, policies and commitments, and engagement are included in the PerfX system with different percentages. The results of the performance management application also provide input when it comes to the remuneration process.

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

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

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

Strategy and financial planning

☑ Board approval of climate transition plan

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

☑ Shareholder approval of climate transition plan
☑ Increased investment in environmental R&D and innovation
☑ Shift to a business model compatible with a net-zero carbon future
☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction
☑ Reduction in emissions intensity
☑ Increased share of renewable energy in total energy consumption
☑ Reduction in absolute emissions

Resource use and efficiency
☑ Improvements in emissions data, reporting, and third-party verification
☑ Energy efficiency improvement
☑ Reduction in total energy consumption

Policies and commitments
☑ Increased supplier compliance with environmental requirements
☑ New or tighter environmental requirements applied to purchasing practices

Engagement
☑ Increased engagement with suppliers on environmental issues
☑ Increased engagement with customers on environmental issues
☑ Increased value chain visibility (traceability, mapping)
☑ Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:
☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Environmental issues such as emission reduction, strategy and financial planning, resource use and efficiency, policies and commitments, and engagement are included in the PerfX system with different percentages. For CEO, environmental issues constitute 43% of the performance score that affects the bonus. In line with performance results, the bonus percentage is earned.

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

The relevant incentives contribute to achieving our short-term emission intensity reduction target, long-term 2050 net-zero emissions target, the goal of reducing Scope 1Scope 2 emissions by 42% by 2030 compared to the base year 2021, the goal of improving our suppliers' ESG performance by 2030, and the target of ensuring all vehicles we produce are zero-emissions by 2040.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Operating Officer (COO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

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

Strategy and financial planning

☑ Board approval of climate transition plan

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

☑ Shareholder approval of climate transition plan

☑ Increased investment in environmental R&D and innovation

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

☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

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

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Increased engagement with customers on environmental issues

☑ Increased value chain visibility (traceability, mapping)

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

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Environmental issues such as emission reduction, strategy and financial planning, resource use and efficiency, policies and commitments, and engagement are included in the PerfX system with different percentages. For COO, environmental issues constitute 21,5% of the performance score that affects the bonus. In line with performance results, the bonus percentage is earned.

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

The relevant incentives contribute to achieving our short-term emission intensity reduction target, long-term 2050 net-zero emissions target, the goal of reducing Scope 1Scope 2 emissions by 42% by 2030 compared to the base year 2021, the goal of improving our suppliers' ESG performance by 2030, and the target of ensuring all vehicles we produce are zero-emissions by 2040.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Financial Officer (CFO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

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

Strategy and financial planning

☑ Board approval of climate transition plan

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

☑ Shareholder approval of climate transition plan

☑ Increased investment in environmental R&D and innovation

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

☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

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

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Increased engagement with customers on environmental issues

☑ Increased value chain visibility (traceability, mapping)

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

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Environmental issues such as emission reduction, strategy and financial planning, resource use and efficiency, policies and commitments, and engagement are included in the PerfX system with different percentages. For CFO, environmental issues constitute 21,5% of the performance score that affects the bonus. In line with performance results, the bonus percentage is earned.

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

The relevant incentives contribute to achieving our short-term emission intensity reduction target, long-term 2050 net-zero emissions target, the goal of reducing Scope 1Scope 2 emissions by 42% by 2030 compared to the base year 2021, the goal of improving our suppliers' ESG performance by 2030, and the target of ensuring all vehicles we produce are zero-emissions by 2040.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Buyers/purchasers

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

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

Emission reduction

☑ Reduction in absolute emissions

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Increased value chain visibility (traceability, mapping)

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

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Environmental issues are included in the PerfX system with various percentages. For buyers/purchasers, environmental issues constitute 10% of the performance score that affects the bonus. In line with the performance results, the bonus percentage is earned.

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

The relevant incentives contribute to achieving our short-term emission intensity reduction target, long-term 2050 net-zero emissions target, the goal of reducing Scope 1Scope 2 emissions by 42% by 2030 compared to the base year 2021, the goal of improving our suppliers' ESG performance by 2030, and the target of ensuring all vehicles we produce are zero-emissions by 2040.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Other C-Suite Officer, please specify :Chief Human Resources Officer (CHRO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

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

Strategy and financial planning

☑ Board approval of climate transition plan

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

☑ Shareholder approval of climate transition plan

☑ Increased investment in environmental R&D and innovation

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

☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

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

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Increased engagement with customers on environmental issues

☑ Increased value chain visibility (traceability, mapping)

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

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Environmental issues such as emission reduction, strategy and financial planning, resource use and efficiency, policies and commitments, and engagement are included in the PerfX system with different percentages. For CHRO, environmental issues constitute 36.5% of the performance score that affects the bonus. In line with performance results, the bonus percentage is earned.

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

The relevant incentives contribute to achieving our short-term emission intensity reduction target, long-term 2050 net-zero emissions target, the goal of reducing Scope 1Scope 2 emissions by 42% by 2030 compared to the base year 2021, the goal of improving our suppliers' ESG performance by 2030, and the target of ensuring all vehicles we produce are zero-emissions by 2040.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Environment/Sustainability manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

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

Strategy and financial planning

☑ Board approval of climate transition plan

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

☑ Shareholder approval of climate transition plan

☑ Increased investment in environmental R&D and innovation

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

☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

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

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Increased engagement with customers on environmental issues

☑ Increased value chain visibility (traceability, mapping)

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

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Environmental issues such as emission reduction, strategy and financial planning, resource use and efficiency, policies and commitments, and engagement are included in the PerfX system with different percentages. For Sustainability Manager, environmental issues constitute 100% of the performance score that affects the bonus. In line with performance results, the bonus percentage is earned

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

The relevant incentives contribute to achieving our short-term emission intensity reduction target, long-term 2050 net-zero emissions target, the goal of reducing Scope 1Scope 2 emissions by 42% by 2030 compared to the base year 2021,achievement of internal company targets in water consumption, energy consumption, the goal of improving our suppliers’ ESG performance by 2030, and the target of ensuring all vehicles we produce are zero-emissions by 2040 and monitoring sustainability validation processes.

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

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

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

(4.6.1.4) Explain the coverage

As TEMSA, we publicly share our commitments regarding environmental management, emission management, water management, waste management, energy efficiency, use of materials in compliance with circular economy principles, sustainable value chain management, and biodiversity management for habitats, endangered species, and endemic species, covering all locations where we operate.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to a circular economy strategy

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

☑ Commitment to 100% renewable energy

☑ Commitment to net-zero emissions

☑ Commitment to not funding climate-denial or lobbying against climate regulations

Additional references/Descriptions

☑ Reference to timebound environmental milestones and targets

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

Select all that apply

☑ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

TEMSA Environmental Policy.pdf

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

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

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ Race to Zero Campaign

☑ UN Global Compact

☑ We Mean Business

☑ Other, please specify **:**Business Ambition for 1.5˚C Campaign

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

United Nations Global Compact We have become a signatory to UNGC on 22.03.2022 by expressing our intent to implement the Ten Principles of the UNGC on human rights, labour, environment and anti-corruption. Race to Zero Campaign Through our commitment to SBTi on 17/08/2022 we have also committed to join the Race to Zero Campaign. Business Ambition for 1.5 C Campaign Through our commitment to SBTi on 17/08/2022 we have also committed to be a part of the Business Ambition for 1.5 C Campaign. We Mean Business Through our commitment to SBTi on 17/08/2022 we have also committed to We Mean Business.

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

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

Select all that apply

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

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

Select from:

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

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

Select all that apply

☑ Paris Agreement

(4.11.4) Attach commitment or position statement

Commitment website screenshot+Climate Transition Plan (Turkish).pdf

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

Select from:

☑ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

☑ Mandatory government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

Trade registry is a state registry that includes information and records regarding real and legal person traders and commercial enterprises that third parties need to know. As TEMSA, we are registered in the system with trade registry number 6205.

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

Our Board Chairman is the only responsible for engaging with external parties related to issues that can influence climate-related and environmental policy. Under the leadership of our Board Chairman, our environmental commitments and climate transition plan are compatible with sustainability standards. Therefore, there is no risk of our external engagement activities being inconsistent with our climate commitments.

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

☑ Non-Governmental Organization (NGO) or charitable organization

(4.11.2.3) State the organization or position of individual

TUSIAD-Turkish Industry and Business Association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

TÜSİAD is a voluntary, independent, non-governmental organization dedicated to promoting welfare through private enterprise. TÜSİAD has 10 major Roundtables, one of which is named "The Energy, Environment and Climate Change Roundtable". The Chairman of our Board is the Leader of this round table which aims to contribute to embedding sustainable development principles and to the environmental protection and spreading out the principles of low carbon economy into the business practices. TÜSİAD's position on climate change is consistent with ours and through our chairman, we publicly promote their position.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify **:**OSD, Turkish Automotive Manufacturers Association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The Automotive Manufacturers Association (Otomotiv Sanayii Derneği - OSD) is an organization established in 1974 with the mission of promoting and developing the automotive industry in Turkey. OSD is a member of The International Organization of Motor Vehicle Manufacturers (OICA) since January 1995. This membership allows OSD to represent the Turkish automotive industry at the international level & participate in global discussions & initiatives related to the automotive sector. Since March 2006, OSD has taken on the responsibility of representing Turkey in both local & global developments, especially those related to technical legislation & global trade, including climate-related regulations. To fulfill this role effectively, OSD established a Liaison Committee, which includes representatives from associations & companies representing the automotive industries of European Union (EU) countries. This committee operates within the framework of the European Automobile Manufacturers' Association (ACEA). Through its participation in international organizations like OICA and ACEA, OSD ensures that the Turkish automotive industry remains well-informed about global trends, regulations, and best practices. By actively engaging with various stakeholders and keeping up with emerging developments in the automotive sector, OSD aims to contribute to the growth and success of the Turkish automotive industry on the global stage. TEMSA is one of the members of OSD and shares the mission of OSD and represents the Turkish Automotive Industry which positions itself as a significant player in the ever-evolving global automotive ecosystem. Being member of OSD enables TEMSA to effectively represent the interests of the Turkish automotive sector on both national and international platforms. As part of OSD's membership, TEMSA gains opportunities to collaborate with other industry stakeholders, working towards common goals to combat climate change and interests related to the Turkish automotive industry. TEMSA's participation supports efforts to strengthen the Turkish automotive industry's position in the global market, making it more competitive. Additionally, by actively engaging in international relations and policy-making processes, we publicly promote OSD's position on climate change.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

480800

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The funding figure provided is the membership fees paid in 2023. There is an error in CDP Portal, and although the currency for our report is selected as TRY in Module 1, the figure we input here is displayed as USD. The currency of the given figure is TRY.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

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

Select from:

☑ Yes

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

Row 1

(4.12.1.1) Publication

Select from:

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

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

Select all that apply

☑ GRI

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Underway - previous year attached

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Value chain engagement

☑ Dependencies & Impacts

☑ Content of environmental policies

(4.12.1.6) Page/section reference

Chosen content elements given as follows at TEMSA Sustainability Report:
Content of environmental policies are given at page 24,72
Governance mechanisms: Page 8,24-29,63,64
Dependencies & Impacts: Page 59,60,72-74,77,79-81,83,86,88,92,109,114
Risks & Opportunities: Page 21-28
Strategy: Page 10,19,20
Value chain engagement: Page 20,24,29,63,65,72,74,84,86,116-118
Emission figures: Page 12,20,72-79,81,127-130
Emission target: Page 10,27,73,74

(4.12.1.7) Attach the relevant publication

TEMSA Sustainability Report_22'.pdf

(4.12.1.8) Comment

As TEMSA, we prepare our Sustainability Report to cover the completed year. Our report is in compliance with Global Reporting Initiative (GRI) Sustainability Reporting Standards. During the reporting process, we have verified selected environmental, social, and economic indicators that serve long-term target areas in accordance with the International Standard for Assurance Engagements (ISAE 3000 Revised). We also reported our process on the United Nations Global Compact (UNGC) and our contributions to the United Nations (UN) Sustainable Development Goals (SDGs) through our sustainability priorities. We used the GRI Standards and the Sustainable Accounting Standards Board (SASB) 2018 Automobiles Standard indicators to determine our sustainability priorities. In addition to standard passenger cars, these indicators also cover public transportation vehicles, light trucks, and motorcycles. We reflected national and international stakeholder views in our prioritization analysis. We have presented our vision, strategic management approach and best practices, with the main axis of our sustainability-oriented activities and future goals. We provided the results of our long-standing good practices in our report together with our sustainability performance results.

C5. Business strategy

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

Climate change

(5.1.1) Use of scenario analysis

Select from:

☑ Yes

(5.1.2) Frequency of analysis

Select from:

☑ Annually

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

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Speed of change (to state of nature and/or ecosystem services)

Stakeholder and customer demands

☑ Impact of nature footprint on reputation

Regulators, legal and policy regimes

☑ Global regulation

☑ Global targets

☑ Methodologies and expectations for science-based targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Our commitment to achieving net zero emissions by 2050 is aligned with the goal of combating climate change and limiting global temperature rise to 1.5C. In line with this net-zero target, we prioritize increasing energy efficiency and accelerating the transition to renewable energy sources. Additionally, reducing carbon emissions from energy use and promoting the widespread adoption of electric vehicles are among our core strategies. As TEMSA we have already committed to become net zero by 2050 and limiting global temperature rise to 1.5 C in line with SBTi commitment. We use the IEA NZE 2050 scenario to determine our sustainability roadmap and assess the risks and opportunities associated with climate change. Accordingly, we address the impacts of climate change in the medium and long term and examine our risks and opportunities in detail within this framework. This analysis covers all our operations and enables us to contribute to sustainable mobility solutions on our path to achieving our net zero emissions target. With a vision of being a value-driven company that sees technology and digitalization as the key to sustainable living and prioritizes the transition from words to action in combating the climate emergency based on scientific approaches, we aim to produce zero-emission vehicles in all our product segments by 2040.

(5.1.1.11) Rationale for choice of scenario

As part of our sustainability strategy, our commitment to the SBTi includes our target of achieving net zero emissions by 2050, in line with the IEA NZE 2050 scenario. Our sustainability roadmap outlines the steps we will take to reach this target. Our internal transition strategy aims for our entire product range to consist of zero-emission vehicles by 2040, to achieve our net zero goal by 2050.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP3

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Liability

☑ Reputation

☑ Technology

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0°C and above

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030
☑ 2040
☑ 2050
☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature
☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

☑ Consumer attention to impact
☑ Impact of nature footprint on reputation

Regulators, legal and policy regimes

☑ Global regulation
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Direct interaction with climate

☑ On asset values, on the corporate

Macro and microeconomy

☑ Domestic growth
☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

TEMSA, incorporates climate related scenario analysis as an integral part of our risk management and strategic planning processes. To assess the physical impacts of climate-change, we determined RCP8.5 and SSP3 to be the most relevant scenarios. RCP8.5 stands out as a pessimistic scenario predicting global warming of more than 2 to 4 degrees, while the SSP3 scenario is shaped by low economic growth, high inequality, and limited technological progress, known as the "Regional Rivalry" scenario. The RCP8.5 scenario foresees large-scale climate risks with high emission levels, while SSP3 addresses how these risks will develop in the context of low economic growth and limited technological progress. Combining these two scenarios provides a more comprehensive understanding of how high emissions and regional rivalry might interact. During the analysis, significant factors such as extreme weather events, rising temperatures, water scarcity, and insurance costs were considered, with projections indicating increased operational and supply chain disruption costs and more frequent natural disasters from 2025 onwards. These analyses, conducted with a long-term perspective, align with TEMSA's goal of becoming carbon neutral by 2050 and help us adapt to the rapid technological changes in the automotive industry. Factors such as the transition to alternative fuels, changing market conditions, and the expansion of battery charging infrastructure are of great importance in this analysis. In this context, TEMSA aims to have its entire product range consist of zero-emission vehicles by 2040. Additionally, our goal of limiting global temperature rise to 1.5 degrees, as set in alignment with SBTi, helps us achieve this target. Scenario analyses covering all of TEMSA's operations have proactively identified climate-related risks and contributed to long-term strategic decision-making processes. The combination of the RCP8.5 and SSP3 scenarios evaluates the impacts of extreme weather events and other climate change risks on operations, while also revealing the effects of regional rivalry and limited technological progress factors brought by SSP3 on long-term strategies.

(5.1.1.11) Rationale for choice of scenario

As part of our sustainability strategy, our commitment to the SBTi includes our target of achieving emission reduction. In line with our commitment to SBTi to limit global temperature rise to 1.5 degrees, we have worked on best case, business as usual case, and worst-case scenarios and determined our emission projections. For the worst-case scenario assessment, we used the perspective obtained with RCP8.5. In accordance with our SBTi commitment, we have set targets to reduce Scope 1 and Scope 2 emissions by 42% by 2030 and to achieve net zero emissions by 2050, progressing towards the realization of our sustainability roadmap.

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

Climate change

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

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Capacity building

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

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

The most important outcomes of this scenario analysis for our operations are as follows:

1. Day by day, water stress is increasing in countries. Due to water scarcity and drought, we have included the risks that may arise in our corporate risk management. Specifically, for TEMSA, findings indicate that water scarcity could potentially disrupt production for 7 days or more. To ensure uninterrupted production activities, various efforts have been made to use water efficiently.

2. TEMSA's production facility is located in Adana, one of the hottest cities in Turkiye. Therefore, the effects of global temperature rise are being felt more and more each day. Due to increasing temperatures, according to the pessimistic scenarios, there may be more frequent heat waves which may disrupt our operations and/or threaten the health and well-being of our employees.

3. Türkiye is one of the many countries that ratified Paris Agreement, which has a goal to keep global temperature increase below 1.5 degree Celsius. As a result of our analysis using NZE2050, it is expected that Türkiye will implement stricter climate regulation in line with the Paris agreement.

4. Our analysis using NZE2050 reinforces our projection that the demand for electric and alternative fuel vehicles will keep on increasing. In this regard, the widespread establishment of charging stations will be necessary. Various regulations like Fit for 55, which aim to reduce the use of fossil fuels, contribute to minimizing environmental impacts, and establish a more sustainable transportation infrastructure, drive the production of electrification and sustainable mobility solutions. Consequently, more regulatory changes are expected to facilitate the transition to sustainable mobility solutions

5. The implementation of the Carbon Border Adjustment Mechanism (CBAM) and the EU Emissions Trading System (ETS) may lead to increased prices of raw materials such as iron, steel, and aluminum, affecting the cost of production.

The results of this scenario analysis informed the following actions related to target setting and transition planning:

- Due to potential water shortages, we have set a target to reduce our water consumption by 42% per equivalent bus by 2030, compared to the base year of 2022, to mitigate production interruptions of 7 days or more.

- In line with our commitment to SBTi (Science Based Targets initiative), we have committed to limit global temperature rise to 1.5 degrees Celsius and net zero by 2050. As part of our commitment to the SBTi, we intend to reduce our Scope 1 and Sope 2 emissions by 42% by 2030 compared to the baseline year of 2021. Following our sustainability roadmap, we continue to develop alternative technologies in the products we manufacture.

The results of this scenario analysis informed the following actions related to corporate strategy and financial planning:

As a result of the projected changes in the mobility systems, TEMSA is actively engaged in various areas, including the production of electric vehicles, research and development of new battery technologies, fuel saving, power distribution, vehicle charging units, and use of alternative fuels like hydrogen.

The results of this scenario analysis informed the following actions related to Risk and opportunities identification, assessment and management:

TEMSA has conducted analysis studies to anticipate the potential risks and opportunities that a carbon taxation/trading system may bring. We have also included the impact of increasing prices of raw materials in our risk assessments.

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

(5.2.1) Transition plan

Select from:

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

(5.2.3) Publicly available climate transition plan

Select from:

☑ Yes

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

Select from:

☑ Yes

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

As part of our commitment to sustainability and reducing greenhouse gas emissions, we have implemented several key activities aimed at achieving our sustainability goals. Our production site is powered by 100% renewable energy, significantly reducing our Scope 2 emissions. This shift to renewable energy sources aligns with our long-term sustainability strategy and crucial step towards decarbonizing our operations. In line with our emission reduction target, we implement various energy efficiency projects across our operations. These projects focus on optimizing energy use, upgrading equipment, and improving operational processes to reduce both energy consumption and emissions. Additionally, we aim to transform our entire product range to zero emission vehicles by 2040. This goal represents a significant transition in on our business model, as we work towards offering only electric and alternative fuel powered vehicles, contributing to global efforts to mitigate climate change.

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

Select from:

☑ Not applicable as our organization does not have shareholders

(5.2.8) Description of feedback mechanism

TEMSA does not require a formal feedback mechanism for its climate transition plan because all shareholders are already directly represented through the Board of Directors. In contrast to publicly traded companies, where feedback is collected from a dispersed shareholder base, private companies have a more streamlined governance structure. The board, comprising shareholders or their representatives, ensures that any concerns, input, or suggestions regarding the transition plan are addressed internally. This direct communication eliminates the need for broader feedback mechanisms, as decision-making and shareholder engagement happen within the confines of board meetings and direct shareholder interactions.

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

The transition plan of TEMSA is based on assumptions of growing demand for sustainable products, tightening regulations on carbon emissions, advancement in renewable energy technologies and market conditions. Dependencies include the need for effective engagement with regulatory bodies, timely technological advancements, and robust supply chain networks. We have allocated teams and budget for the transition.

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

In line with our sustainability roadmap, we initiated the process of sourcing the electricity used in our production activities from renewable sources in April 2022. As of 2023, we have successfully continued this transition by supplying 100% of the electricity used in our production from renewable energy sources. Unfortunately English version of our transition plan is not yet published, therefore Turkish version is attached.

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

TEMSA_İklim Eylem Planı.pdf

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

Select all that apply

☑ Plastics

☑ Water

☑ Biodiversity

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

As company operating in the automotive industry, we are aware of our sustainability-related and environmental responsibilities. Starting in 2022, we as TEMSA, aim to reduce our water consumption per vehicle by 42% by 2030. We have become a member of Business Plastics Initiative (IPG). We have further made a commitment to the Business Plastics Initiative of the Business and Sustainable Development Council (BCSD Türkiye) to eliminate the consumption of single-use plastics in certain categories by 2024. In line with our Biodiversity Policy, we are committed to promoting biodiversity conservation, sustainability and responsibilities at every stage of our operations. In this regard, we are acting in line with our sustainability roadmap and climate transition plan with our biodiversity project, which is planned to be completed in 2024.

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

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

Select from:

☑ Yes, both strategy and financial planning

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

Select all that apply

☑ Products and services

☑ Upstream/downstream value chain

☑ Investment in R&D

☑ Operations

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

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

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

Select all that apply

☑ Climate change

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

Environmental risks and opportunities like emerging regulations, changes in market condition, expectations of customers and stakeholders for low carbon products have influenced our strategy related to our products and services immensely. Especially for the products that we target the EU market, we need to comply with climate related regulations that are getting more and more strict every year. If we fail to comply with the regulatory requirements, we risk the chance of losing some of our clients. Details of this risk, and how it is managed is given under section 3.1.1 of this report (Risk 1).
Climate-related changes in market conditions like increased use of electric vehicles have also influenced our strategy for our products and services as opportunities to be seized. Details of this opportunity, and how it is seized is given under section 3.6.1 of this report (Opp 1). One of the strategic decisions we have taken in this direction is that the entire product range will consist of zero emission vehicles by 2040. This decision was also influenced by the results of our climate scenario analysis.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

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

Select all that apply

☑ Climate change

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

Environmental risks and opportunities impacted our strategy related to our value chain. We have many suppliers which we rely on to be able to be successful in our Net Zero 2050 journey. We know that our decarbonization efforts shall include our suppliers and we are working on ways to include our suppliers in our efforts to reduce our impacts on climate change. One of the most substantial strategic decisions in this area to date was 2021, we published our Responsible Purchasing Policy which includes the principles we expect our suppliers to comply with regarding environmental issues, including resource use, waste management, emissions management, as well as social issues, including human and labor rights, ethical issues, fight against corruption and bribery. In this context, we gradually conduct audits with suppliers through self-assessment surveys. In this survey, under the sustainability heading, we inquire about our suppliers' ambitions related to environmental issues. In a collaboration with our Supplier Development department, we launched the IMPACT (Initiative for a Meaningful Partnership Achieving Carbon Targets) project to measure the sustainability performance of our suppliers. Initially, we provided training to our suppliers and assessed their ESG performance through surveys. Based on ESG performance results, we shared areas for improvement with our suppliers. Through the IMPACT project, our strategic goal is to enhance our suppliers' ESG performance by 2030.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

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

Select all that apply

☑ Climate change

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

Environmental risks and opportunities impacted our strategy related to R&D investments. Being one of the most popular subjects in the Automotive Industry, electrification of our vehicles and alternative and climate-friendly options and battery technologies are among our focus areas in R&D activities.
In the reporting year around 35% of our R&D budget was spent for SDG-linked R&D and innovation projects. The investments in R&D is also a decision taken as a result of our risk and opportunity analysis detailed under Sections 3.1.1 and 3.6.1 of this report.
We aim to improve our sustainability performance by continuously working on digitalization and technology as well as R&D and innovation. Adopting this approach at every stage of our business processes contributes to the development of environmentally friendly, and energy efficient vehicles. At TEMSA, we have been conducting R&D projects and developing prototypes for electric vehicles since 2012. At the same time, we are taking strong steps towards a sustainable future by accelerating our development in areas such as digitalization and technology investments, next generation vehicle technologies, electric vehicles, and battery technologies. For example, our "Development of New Generation TEMSA Battery Packs with Reduced Cost and Increased Energy Density" is a step towards our goal of developing special battery systems for electric vehicles. Our main goal is to improve TEMSA's electric vehicle portfolio by making the energy storage needs of electric vehicles

more efficient and economical. We achieved significant success with the first-generation battery packs, but the need for a new battery pack design arose due to the tight pricing policies of module manufacturers and the decrease in costs with the increase in energy density. We also aim to add a fluid conditioning system to work with different cell or module manufacturers. As the demand for electric vehicles increases, battery technologies are evolving to reduce costs, increase safety an reduce supplier dependency. At TEMSA, we have decided to develop the second-generation battery pack to minimize imports, reduce costs, increase energy density, provide energy management in line with customer needs, and minimize supplier dependency.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

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

Select all that apply

☑ Climate change

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

Our operational strategies are also influenced by environmental risks and opportunities. We are especially focusing on our resilience for the physical impacts of climate change in our operations and we are also focusing on energy efficiency projects. As TEMSA, we act in our entire value chain by considering our environmental impacts. We make improvements to reduce our carbon emissions caused using our products and our operations and to ensure energy efficiency. One of the most substantial strategic decisions in this area to date was running our operations on 100% renewable electricity. In April 2022 we started using renewable electricity in our operations. Also, contribute to the circular economy with our wastewater, water and effluent management, to continuously develop in this context, to carry out recovery and awareness raising activities within the scope of water recycling and to achieve 42% bus equivalent improvement in water efficiency and recycling by 2030.

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

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Revenues

☑ Direct costs

☑ Indirect costs

☑ Capital expenditures

☑ Capital allocation

(5.3.2.2) Effect type

Select all that apply

☑ Risks

☑ Opportunities

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

Select all that apply

☑ Climate change

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

Revenues:
Environmental risks and opportunities have influenced the long-term financial planning on revenue streams. We have started focusing on electrification of our product portfolio to seize the opportunities and not fall behind our competitors. One of the strategic decisions we have taken in this direction is that the entire product range will consist of zero emission vehicles by 2040. This decision is a direct impact of the results of our Risk and Opportunity analysis detailed under section 3.1.1 and 3.6.1 of this report.
Direct Costs:
Financial planning for direct costs has also been impacted, especially due to the transitional effects of climate change. Our financial planning now places more focus on material costs, which includes expenses for raw materials, components, and parts required for vehicle production. This encompasses everything from steel, iron, and aluminum for the body, to various electronics, plastics, and other materials used in the vehicle's interior and exterior. Particularly, the implementation of CBAM and ETS is expected to encourage energy-intensive industries, such as iron- steel and aluminum, to reduce their carbon footprints and adopt more sustainable production methods. This may bring some challenges and adaptation costs and could potentially increase the cost of raw materials.
Indirect costs:
Planning related to indirect costs have been influenced already. As we are planning to run all our operations in Türkiye on 100% renewable electricity, the extra cost of renewable electricity purchases is included in our financial planning. We have reserved budget for our renewable energy purchases in our CAPEX.
Capital expenditures:
Our strategy for capital expenditures has already been influenced by environmental risks and opportunities. We analyze capital expenditures with a different point of view and try to select options that reduce energy use. Energy efficiency of capital expense item is now one of the deciding factors as a part of our purchasing procedures. In 2022, we started the infrastructure and feasibility studies for the Solar PV panels and installed in 2023.
Capital Allocation:
As part of our climate transition plan, we have targets to reduce our Scope 1 and Scope 2 GHG emissions by 42% until 2030 and 100% by 2050. Currently the ratio of SDG-linked R&D and innovation investment is 35%.

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

	Identification of spending/revenue that is aligned with your organization’s climate transition	Methodology or framework used to assess alignment with your organization’s climate transition
	Select from: ☑ Yes	*Select all that apply* ☑ Other methodology or framework

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☑ Other, please specify **:**Alignment with our climate transition plan

(5.4.1.5) Financial metric

Select from:

☑ CAPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

29101694

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

35

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

39

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

40

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

In order to realize our climate transition plan we focus on projects to increase the share of electric and alternative fuel vehicles in our products. In 2023 the total expenses for the development of our sustainable product portfolio was 29101694. These expenses were met from the CAPEX dedicated for SDG-linked R&D and innovation projects.

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

(5.5.1) Investment in low-carbon R&D

Select from:

☑ Yes

(5.5.2) Comment

TEMSA is a Turkish bus manufacturer that is committed to sustainable transportation. We are working on a number of projects to promote the use of electric and hydrogen vehicles, as well as to develop lightweighting technologies and the use of sustainable materials for these vehicles. We are also installing renewable energy-powered fast charging stations to ensure that electric and hydrogen vehicles can be charged quickly and sustainably. In addition to these projects, TEMSA has also electrified the diesel-powered sea taxis used in the Bosphorus and produced the first electric refrigerated truck body in Turkey. Electricity needs of refrigerated truck bodies whose transport area temperature is between -45C and -18C are provided by diesel generators. TEMSA contributed to sustainable logistics transportation by producing the first electric refrigerated truck body in Turkey. With Uninterruptible Power Supply (UPS) system, solar energy started to be provided in 2 factories. These projects are helping TEMSA to reduce their environmental impact and contribute to a more sustainable future for transportation. Here are some specific examples of how TEMSA is promoting sustainable transportation: We are developing electric and hydrogen vehicles that have zero emissions. We are using lightweight materials to make our vehicles more efficient. We are installing renewable energy-powered fast charging stations. We are electrifying marine transportation vehicles. We are producing electric refrigerated truck bodies. We are using solar energy to power our production facilities We have delivered Li-Ion NMX battery packs to agriculture machine industry in 2023. And we plan to supply more packs between 2024 and 2027. We have started working with Na-Ion battery pack designs as Na is a more sustainable raw material than Li. We work on off grid integrated systems for Home UPS. These projects are making a significant contribution to a more sustainable future for transportation. TEMSA is committed to reducing their environmental impact and they are working hard to develop innovative solutions that will help to make transportation.

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

Row 1

(5.5.8.1) Activity

Select all that apply

☑ Heavy Duty Vehicles (HDV)

(5.5.8.2) Technology area

Select from:

☑ Battery electric vehicle

(5.5.8.3) Stage of development in the reporting year

Select from:

☑ Full/commercial-scale demonstration

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

39

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

82378540

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

40

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

TEMSA aims to have its entire product range consist of zero-emission vehicles by 2040. This ambitious goal aims to promote sustainable transportation and combat climate change by transitioning from traditional internal combustion engine vehicles to battery electric vehicles. It aligns with climate plans, showing a commitment to reducing emissions and embracing cleaner technologies for a sustainable future.

Row 2

(5.5.8.1) Activity

Select all that apply

☑ Heavy Duty Vehicles (HDV)

(5.5.8.2) Technology area

Select from:

☑ Hydrogen fuel cell

(5.5.8.3) Stage of development in the reporting year

Select from:

☑ Applied research and development

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

0

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

82378540

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

17

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

TEMSA aims to have its entire product range consist of zero-emission vehicles by 2040. As a result of our efforts over the past three years to include alternative fuel vehicles in our product range, our hydrogen fuel cell vehicles, for which investments will begin in 2024, has been added to our product range. It aligns with climate plans, showing a commitment to reducing emissions and embracing cleaner technologies for a sustainable future.

Row 3

(5.5.8.1) Activity

Select all that apply

☑ Heavy Duty Vehicles (HDV)

(5.5.8.2) Technology area

Select from:

☑ Alternative battery technology

(5.5.8.3) Stage of development in the reporting year

Select from:

☑ Small scale commercial deployment

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

0.1

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

82378540

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

4

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

TEMSA aims to have its entire product range consist of zero-emission vehicles by 2040. In line with the steps, we have taken to use battery technologies in different sectors, this project we have developed enables the provision of battery solutions for the agricultural sector. In this project, which we are advancing based on demand, future investments will also change with the change in demand. It aligns with climate plans, showing a commitment to reducing emissions and embracing cleaner technologies for a sustainable future.

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

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

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

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

☑ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

☑ Drive energy efficiency

☑ Drive low-carbon investment

☑ Navigate regulations

☑ Set a carbon offset budget

☑ Other, please specify :Change internal behaviour

(5.10.1.3) Factors considered when determining the price

Select all that apply

☑ Alignment with the price of a carbon tax

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

☑ Alignment with the price of carbon border adjustment mechanism

☑ Scenario analysis

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

Projections for carbon pricing estimates were made during the calculations. In Turkiye, an ETS mechanism is expected to be operational after 2024, the prices are expected to increase starting from 2025 and between 2025 and 2030 the carbon price is expected to increase around 400%. For the EU market as it is an already established market, the prices are expected to have a less steep increase of around 145% between 2022-2030.

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 1

☑ Scope 2

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Differentiated

(5.10.1.7) Indicate how and why the price is differentiated

The price differentiation for carbon pricing is influenced by various factors such as geographic locations, regulatory policies and their differences by country, and considerations specific to the automotive sector.

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

We have worked with a consultant to identify the impacts of emissions trading and carbon taxation mechanisms on our business especially for the EU and Turkish markets. Depending on the market conditions 3 scenarios were studied.
Scenario 1: Good economic environment (steeper price effect)
Scenario 2: Simple economic environment (base effect)
Scenario 3: Weak economic environment (less steep price effect)
In all 3 scenarios and in both markets the prices are expected to increase over time.
For Scenario 1:
In Turkiye, an ETS mechanism is expected to be operational after 2024, the prices are expected to increase starting from 2025 and between 2025 and 2030 the carbon price is expected to increase around 400%.
For the EU market as it is an already established market, the prices are expected to have a less steep increase of around 145% between 2022-2030.

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

689.69

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

3382.07

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

Select all that apply

☑ Capital expenditure

☑ Product and R&D

☑ Risk management

☑ Opportunity management

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

Select from:

☑ No

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

100

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

Select from:

☑ Yes

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

The carbon price contributes especially to assessing and managing climate-related risks and opportunities. It also contributes to internal decision-making process especially for capital expenditures related to emission reduction/energy efficiency projects. The pricing approach is annually evaluated against market conditions and revised to reflect the most recent projections.

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

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ Yes

(5.11.2) Environmental issues covered

Select all that apply

☑ Climate change

Customers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ Yes

(5.11.2) Environmental issues covered

Select all that apply

☑ Climate change

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

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

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

☑ Judged to be unimportant or not relevant

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

We are not publicly traded, and we do not have investors or shareholders who are not on the board of directors, therefore this value chain stakeholder category is judged to be not relevant with our operations.

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

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

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

☑ Judged to be unimportant or not relevant

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

We do not have any other value chain stakeholders that may significantly impact our GHG emissions profile.

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Suppliers, impacting 0.7% or more of our revenue, were identified critical suppliers. Within this scope we have also assessed the impact of Supplier's emissions in our Scope 3 Category 1 GHG emissions and identified suppliers with also than 1% impact on our Scope 3 Category 1 GHG emissions. It was seen that all the identified suppliers according to their impact on our emissions are also included in the list of suppliers that impact more than 0.7% of our revenue.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ 1-25%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

32

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

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

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

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

Select all that apply

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

☑ Procurement spend

☑ Regulatory compliance

☑ Strategic status of suppliers

☑ Supplier performance improvement

(5.11.2.4) Please explain

In TEMSA's efforts to reduce emissions, supplier engagement is prioritized based on a strategic assessment of several criteria. We classify suppliers by type, size, industry, and macro-industry, evaluating their ESG performance with tailored surveys. The surveys, aligned with the Global Reporting Initiative (GRI) and Sustainable Development Goals (SDGs). Procurement spend is a critical factor, as higher spending often correlates with greater emissions, making it essential to focus on suppliers that represent the largest portions of the supply chain. Regulatory compliance is another priority, as engaging with suppliers to ensure they meet or exceed environmental regulations helps the company mitigate risks and adhere to legal standards. Additionally, the strategic status of suppliers is considered, with key partners in long-term or critical roles being prioritized to align climate goals more effectively. Lastly, the company focuses on suppliers with the potential for performance improvement, recognizing the importance of collaboration in driving continuous environmental advancements. The results of surveys highlight areas for improvement, with actions plans shared as development opportunities. We also support our suppliers in implementing these plans through trainings, on-site visits, and experience sharing. This structured approach to supplier prioritization is integral to the company's broader climate change engagement strategy.

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

Climate change

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

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

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

Select from:

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

(5.11.5.3) Comment

TEMSA’s Responsible Purchasing Policy is a critical component of its supplier contracts, setting forth clear climate-related requirements that all suppliers are expected to meet. This procedure outlines the company’s sustainability expectations, including adherence to emission reduction targets, energy efficiency measures, and other environmental standards that align with the company’s broader climate goals. All suppliers are required to sign this document, confirming their commitment to comply with these requirements. TEMSA’s suppliers should comply with carry out their activities in line with environmental legislation, take precautions to reduce the consumption of natural resources such as energy and water, take precautions to reduce waste and greenhouse gas emission and comply with the laws regarding the transportation of hazardous substances. Suppliers are found out to have been levied any fines or engaged in any non-conformities related to the aforementioned issues are requested to provide an adjustment plan for compliance with the policy. As TEMSA, we guarantee that will terminate our business relationship with the suppliers that do not accept the compliance process and/or perform the necessary improvements within the prescribed period. This policy reflects TEMSA’s dedication to maintaining a responsible and resilient supply chain aligned with its climate commitments.

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

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Grievance mechanism/ Whistleblowing hotline

☑ Second-party verification

☑ Supplier scorecard or rating

☑ Supplier self-assessment

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

Select from:

☑ 100%

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

Select from:

☑ 100%

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

Select from:

☑ 100%

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

Select from:

☑ 100%

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

Select from:

☑ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

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

(5.11.6.12) Comment

We require all our suppliers to comply with this requirement. In 2023, all of our suppliers were evaluated and found to be in full compliance, resulting in a selection of "None" for the percentage of non-compliant suppliers engaged.

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

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to mitigate environmental impact

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

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

Select from:

☑ 1-25%

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

Select from:

☑ 51-75%

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

As part of our IMPACT (Initiative for a Meaningful Partnership Achieving Carbon Targets) project, we provided our suppliers with training on sustainability. These trainings covered topics such as management of emission, waste, water and energy. We also informed our suppliers about TEMSA's sustainability roadmap and actions, sharing best practices and experiences to support their own sustainability processes.

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

Select from:

☑ Yes, please specify the environmental requirement **:**The engagement activity enables our suppliers to be informed on how to manage and reduce their GHG emissions.

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

Select from:

☑ Unknown

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

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information about your products and relevant certification schemes

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ 100%

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

The company's engagement with its customers is deeply rooted in its long-term climate goals, particularly its commitment to producing zero-emission vehicles across all product segments by 2040. Customers, as key stakeholders in the climate transition plan, are integral to achieving this vision. By disseminating technical data sheets and environmental performance updates, the company ensures that customers are informed of the progress toward zero emissions and can align their own operations with these sustainability goals. Additionally, the use of social media channels as an engagement tool broadens the reach, emphasizing the company's sustainability efforts and fostering a two-way dialogue. This comprehensive engagement strategy ensures that customers are not only informed but actively involved in the company's journey towards climate neutrality.

(5.11.9.6) Effect of engagement and measures of success

The measure of success for this engagement activity is identified as the level of customer adoption of zero-emission vehicles, customer feedback on environmental performance, and increased interaction and awareness of the company's sustainability efforts through digital platforms, including social media. The effect of engaging customers through technical data sheets, sustainability reports, and social media channels is twofold: it educates and empowers stakeholders to make informed, sustainable choices while fostering a sense of shared responsibility in combating climate change. A successful outcome of this engagement will be reflected in the increased uptake of zero-emission vehicles across customer segments, demonstrated through sales figures and feedback. Additionally, success can be measured by customer engagement metrics, such as increased inquiries about environmental features, positive feedback, and higher interaction rates on social media platforms regarding sustainability content. These indicators would demonstrate that customers are both aligned with and actively participating in the company's climate transition journey.

C6. Environmental Performance - Consolidation Approach

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

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

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

As TEMSA we have full authority to introduce and implement our operational policies in all of our sites. We also do not have any operations where we hold any equity share but do not have any control over operations. Therefore operational control is selected as the consolidation approach to represent our GHG inventory fully.

Plastics

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

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

As TEMSA we have full authority to introduce and implement our operational policies in all of our sites. We also do not have any operations where we hold any equity share but do not have any control over operations. Therefore operational control is selected as the consolidation approach for the calculation of environmental performance data.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

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

As TEMSA we have full authority to introduce and implement our operational policies in all of our sites. We also do not have any operations where we hold any equity share but do not have any control over operations. Therefore operational control is selected as the consolidation approach for the calculation of environmental performance data.

C7. Environmental performance - Climate Change

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

Select from:
☑ No

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

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

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

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply
☑ Yes, a change in methodology
☑ Yes, a change in boundary

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

We have changed the GHG emission factor database that we use in our calculations. We have included our operations in İstanbul, France, Germany and US in our reporting boundary for the base-year. Revisions were made in all scopes.

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☑ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply

☑ Scope 1

☑ Scope 2, location-based

☑ Scope 2, market-based

☑ Scope 3

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

If there is a change in methodology, boundary, or structural change, base year emissions are recalculated to reflect this change.
The threshold of change to trigger a recalculation is 5%. If the data is readily available base year emissions are always recalculated regardless of the 5% threshold.

(7.1.3.4) Past years' recalculation

Select from:

☑ Yes

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

Select all that apply

☑ ISO 14064-1

☑ The Greenhouse Gas Protocol: Scope 2 Guidance

☑ IPCC Guidelines for National Greenhouse Gas Inventories, 2006

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

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

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

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

(7.3.1) Scope 2, location-based

Select from:

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

(7.3.2) Scope 2, market-based

Select from:

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

(7.3.3) Comment

As we are not able to reach market-based residual emission factors in the markets that we operate in, market-based emissions are calculated using location-based emission factors as a proxy. We use GHG emission factors published by IEA.

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

Select from:

☑ Yes

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Row 1

(7.4.1.1) Source of excluded emissions

The following Scope 3 categories for our offices in Istanbul, France, Germany and US are excluded:
Category 1: Purchased goods and services for the office operations-(this category is included for Istanbul office and calculated under Adana production plant data as all capital goods purchases are made by our purchasing team in Adana)
Category 2: Capital goods (i.e. computers purchased in the reporting year)-(this category is included for Istanbul office and calculated under Adana production plant data as all capital goods purchases are made by our purchasing team in Adana)

Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 7: Employee commuting (excluded only for Germany and US operations)
These offices don't have any operations that can be classified under any of the other categories. Scope 3 category 3 fuel and energy-related emissions are calculated for all offices.

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

☑ Scope 3: Purchased goods and services

☑ Scope 3: Capital goods

☑ Scope 3: Upstream transportation and distribution

☑ Scope 3: Waste generated in operations

☑ Scope 3: Employee commuting

(7.4.1.6) Relevance of Scope 3 emissions from this source

Select from:

☑ Emissions are not relevant

(7.4.1.9) Estimated percentage of total Scope 3 emissions this excluded source represents

0.5

(7.4.1.10) Explain why this source is excluded

The international operations only include sales offices and maintenance centers. In Istanbul we only have operations of an office and there is only a few number of employees. For the reporting period these emission sources are excluded because we also were not able to reach any data. In the future we have a target to include all operations in our Scope 3 calculations. Employee commuting in our operations in France are reported under Scope 1 as the employee shuttles belong to and operated by TEMSA. This data was mistakenly included in Scope 3 C7 in the previous reporting period. Scope 3 Category 7: Employee commuting in our İstanbul operations are included in our GHG inventory. Employee commuting for Germany and US operations are excluded. Scope 3 Category 3 GHG emissions are included in our GHG inventory for all of our operations. Emissions from business travel for the employees in these offices are included in our total business travel emissions as this data can not be differentiated from the data received from our service provider.

(7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

As there are no production related emissions the Scope 3 GHG emissions of downstream categories are not relevant. Other categories are estimated using an extrapolation method using the share of these offices in Scope 1 and 2 emissions. The total estimated emissions excluded 9274.07 tCO2e, which is a very conservative estimation considering 97.38% of the estimated figure comes from Scope 3 Category 1 emissions. As the C1 emissions are extrapolated using data from our production plant in Adana, this estimation does not represent the actual situation, because there is no production i.e. no raw material purchases in these facilities.

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

Scope 1

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

3847.25

(7.5.3) Methodological details

Base year Scope 1 emissions were revised to include our operations in Istanbul, France, Germany and US. Base year emissions comprise of stationary combustion of fuels i.e. Natural gas used for heating, Diesel oil used in generators, LPG used for cooking, etc. Mobile sources are also included in Scope 1 including the fuels that are filled into the fuel tanks of the products that are sent to dealers or customers. Fugitive gases that are charged in products A/C systems and the fugitive gases from our office operations are also included in this category. The emission factors are taken from DEFRA database-GHG Conversion Factors Full Set for the year 2021. The given figure is the gross global scope 1 emissions and does not include any offsets.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

3562.49

(7.5.3) Methodological details

Base year Scope 2 emissions were revised to include our operations in Istanbul, France, Germany and US. The GHG emission factors are taken from IEA database.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

3562.49

(7.5.3) Methodological details

Base year Scope 2 emissions were revised to include our operations in Istanbul, France, Germany and US. The GHG emission factors are taken from IEA database. There were no active purchases of renewable electricity in our base-year, therefore our market-based emissions in the base year are equal to our location based emissions.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

197959.31

(7.5.3) Methodological details

In 2022 for the first time, we have started calculating our Scope 3 GHG emissions. However in during our inventory calculation period in 2023, we came across significant errors and were not able to find past year data so we have revised the base year for Scope 3 as 2023 for all Scope 3 categories. This category includes all the purchased goods and services for our Adana production plant. The data is collected from our purchasing records in USD. The GHG emissions are calculated using US EPA - Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6. GHG emissions from purchased goods and services in France, Germany and US offices are excluded as detailed in Section 7.4.1 of this report. Purchased goods for our İstanbul office are included under Adana operations as all purchases in Türkiye is done by our purchasing team in Adana

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

541.75

(7.5.3) Methodological details

In 2022 for the first time, we have started calculating our Scope 3 GHG emissions. However in during our inventory calculation period in 2023, we came across significant errors and were not able to find past year data so we have revised the base year for Scope 3 as 2023 for all Scope 3 categories. This category includes all the purchased capital goods for our Adana production plant. The data is collected from our purchasing records in USD. The GHG emissions are calculated using US EPA - Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6. GHG emissions from purchased capital goods France, Germany and US offices are excluded as detailed in Section 7.4.1 of this report. Capital goods purchases for our İstanbul office are included under Adana operations as all purchases in Türkiye is done by our purchasing team in Adana.

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

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

1515.1

(7.5.3) Methodological details

In 2022 for the first time, we have started calculating our Scope 3 GHG emissions. However in during our inventory calculation period in 2023, we came across significant errors and were not able to find past year data so we have revised the base year for Scope 3 as 2023 for all Scope 3 categories. This category includes all the WTT emissions of fuels and T&D losses for electricity in all of our operations. There are no exclusions. The GHG emission factors are taken from DEFRA Conversion factors 2023 full set WTT-fuels tab.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

3192.81

(7.5.3) Methodological details

In 2022 for the first time, we have started calculating our Scope 3 GHG emissions. However in during our inventory calculation period in 2023, we came across significant errors and were not able to find past year data so we have revised the base year for Scope 3 as 2023 for all Scope 3 categories. This category includes the transportation of goods purchased by TEMSA and also the transportation services that are purchased by TEMSA. The activity data is collected per transportation activity is amount of goods transported in tons, transportation methods used, load types, loading zip and arrival ports. The transportation distances are calculated using online distance calculator apps. Depending on the transported weight, load type and transportation model used, either ton.km or km data is used (only for ground transportation when full load is transported to TEMSA). The GHG emission factors are taken from DEFRA Conversion factors 2023 full set – 'Freighting Goods' and 'WTT-Delivery vehs & freight' sheets. All calculations include WTT emissions. GHG emissions from upstream transportation in İstanbul, France, Germany and US offices are excluded as detailed in Section 7.4.1 of this report.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

512.76

(7.5.3) Methodological details

In 2022 for the first time, we have started calculating our Scope 3 GHG emissions. However in during our inventory calculation period in 2023, we came across significant errors and were not able to find past year data so we have revised the base year for Scope 3 as 2023 for all Scope 3 categories. This category includes the GHG emissions from the waste generated in TEMSA's production plant in Adana. Amount and type of waste is collected from legal waste declaration documents. The GHG emission factors are taken from DEFRA Conversion factors 2023 full set – 'Waste' tab and US-EPA GHG emission factors hub. GHG emissions from waste generated in İstanbul, France, Germany and US offices are excluded as detailed in Section 7.4.1 of this report.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

1199.51

(7.5.3) Methodological details

In 2022 for the first time, we have started calculating our Scope 3 GHG emissions. However in during our inventory calculation period in 2023, we came across significant errors and were not able to find past year data so we have revised the base year for Scope 3 as 2023 for all Scope 3 categories. This category includes the GHG emissions from the flights of TEMSA personnel. Flight routes are obtained from our service provider. GHG emission data was also provided by the service provider company, however as their calculations didn't include WTT emissions, this category was recalculated using flight route data and GHG emission factors are taken from DEFRA Conversion factors 2023 full set – 'Business travel-air' and 'WTT-Business travel air' tabs. As the travel organizations are made locally from our Adana office, there are no exclusions.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

1010.72

(7.5.3) Methodological details

In 2022 for the first time, we have started calculating our Scope 3 GHG emissions. However in during our inventory calculation period in 2023, we came across significant errors and were not able to find past year data so we have revised the base year for Scope 3 as 2023 for all Scope 3 categories. The GHG emissions for this category is calculated using the data received from employee shuttle service providers in İstanbul and Adana. The data is received as liters of diesel oil consumed per year. The GHG emission factors are taken from DEFRA Conversion factors 2023 full set – 'Fuels' and 'WTT-Fuels' tabs. Employee commuting in our France office is reported under Scope 1 because employee shuttles in France are under our operational control. There are no employee shuttles in Germany and US. The GHG emissions from employee commuting in these locations are excluded as detailed in Section 7.4.1 of this report.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

This category is not relevant as we report GHG emissions from leased assets under our Scope 1&2 GHG emissions.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

1074.44

(7.5.3) Methodological details

In 2022 for the first time, we have started calculating our Scope 3 GHG emissions. However in during our inventory calculation period in 2023, we came across significant errors and were not able to find past year data so we have revised the base year for Scope 3 as 2023 for all Scope 3 categories. This category includes the transportation of goods sold by TEMSA, if the transportation service is purchased by TEMSA the GHG emissions are reported under category 4. The activity data is collected per transportation activity is the weight of goods transported in tons, transportation methods used, load types, loading ports, arrival ports and location of the customers. The transportation distances are calculated using online distance calculator apps. For international transport, ton.km data is used for calculation of emissions of marine and rail transport. Land transport is calculated using the average fuel consumption figures of the units sold as they can1wnot be transported on trucks. For domestic sales, the distance to the customer is calculated and the fuel consumption of the product for the trip from TEMSA premises to customer is estimated using the average fuel consumption figures. Fuel that is filled in the tank of the products before leaving TEMSA premises is deducted from this calculation to prevent double counting as it is already reported under Scope 1 GHG emissions. The GHG emission factors are taken from DEFRA Conversion factors 2023 full set – 'Fuels', 'Freighting Goods', 'WTT Fuels' and 'WTT-Delivery vehs & freight' sheets. All calculations include WTT emissions. There is no production in TEMSA's offices in İstanbul, France, Germany and US, therefore there are no GHG emissions related to downstream transportation in these locations.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

0.3

(7.5.3) Methodological details

In 2022 for the first time, we have started calculating our Scope 3 GHG emissions. However in during our inventory calculation period in 2023, we came across significant errors and were not able to find past year data so we have revised the base year for Scope 3 as 2023 for all Scope 3 categories. This category comprises of processing of body shells and electric batteries sold. The weight of sold products are used to estimate the GHG emissions using processing these products into a final product. The GHG emission factors are calculated based on the assumption of similar production processes to TEMSA will be used during processing of these products. The amount of Natural gas, diesel oil, electricity and fugitive gases used is estimated for 1 ton of production at TEMSA. These values are then used to estimate the production related emissions using the emission factors of the country of production. In 2023 only 1 battery was sold, therefore the related emissions is very small. There is no production in TEMSA's offices in İstanbul, France, Germany and US, therefore there are no GHG emissions related to processing of sold products in these locations.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

1539438.47

(7.5.3) Methodological details

In 2022 for the first time, we have started calculating our Scope 3 GHG emissions. However in during our inventory calculation period in 2023, we came across significant errors and were not able to find past year data so we have revised the base year for Scope 3 as 2023 for all Scope 3 categories. This category comprises of the GHG emissions during the lifetime of TEMSA's products. For calculation a scenario is used. Estimated lifetime of products are assumed to be 12 years and estimated kms per lifetime is assumed as 800,000 km for heavy duty vehicles and 750,000 km for light duty vehicles in total life time. Fuel efficiency of each unit sold is known, and the lifetime emissions for each unit is estimated using the fuel consumption data over lifetime. The GHG emission factors are taken from DEFRA Conversion factors 2023 full set – 'Fuels' and 'WTT Fuels' sheets. There is no production in TEMSA's offices in İstanbul, France, Germany and US, therefore there are no GHG emissions related to use of sold products in these locations.

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

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

16391.87

(7.5.3) Methodological details

In 2022 for the first time, we have started calculating our Scope 3 GHG emissions. However in during our inventory calculation period in 2023, we came across significant errors and were not able to find past year data so we have revised the base year for Scope 3 as 2023 for all Scope 3 categories. To calculate emissions related to end-of-life treatment of sold products we used number and type of sold units to calculate the ton of goods sold. We also estimated the material types and percentage of the material types in our products (i.e.metal %, glass %, fabric %, etc.). For emission factors we used EPA GHG emission factors hub. We assumed

50% of fugitive gases from the A/C systems at the end-of-life stage. There is no production in TEMSA's offices in İstanbul, France, Germany and US, therefore there are no GHG emissions related to end of life treatment of sold products in these locations.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

TEMSA does not have any downstream leased assets.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

4534.45

(7.5.3) Methodological details

In 2022 for the first time, we have started calculating our Scope 3 GHG emissions. However in during our inventory calculation period in 2023, we came across significant errors and were not able to find past year data so we have revised the base year for Scope 3 as 2023 for all Scope 3 categories. In 2023 we have requested Scope 1 and Scope 2 data from all of our franchises. We were able to receive reliable data from only 2 of the franchises. The data received from these franchises were extrapolated to calculate the emissions from this category. There are no emissions related to franchises for other TEMSA offices.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

TEMSA does not have any investments that may be reported under this category.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

No other upstream Scope 3 GHG emissions.

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

No other downstream Scope 3 GHG emissions.

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

Reporting year

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

5864.42

(7.6.3) Methodological details

The reported Scope 1 GHG emissions comprise of stationary combustion of fuels i.e. Natural gas used for heating, Diesel oil used in generators, LPG used for cooking, etc. Mobile sources are also included in Scope 1 including the fuels that are filled into the fuel tanks of the products that are sent to dealers or customers. Fugitive gases that are charged in products A/C systems and the fugitive gases from our office operations are also included in this category. The emission factors are taken from DEFRA database-GHG Conversion Factors Full Set for the year 2023. The reported emission figure is our gross emission figure and does not include the impact of purchased offsets.

Past year 1

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

4410.02

(7.6.2) End date

12/31/2022

(7.6.3) Methodological details

The reported Scope 1 GHG emissions comprise of stationary combustion of fuels i.e. Natural gas used for heating, Diesel oil used in generators, LPG used for cooking, etc. Mobile sources are also included in Scope 1 including the fuels that are filled into the fuel tanks of the products that are sent to dealers or customers. Fugitive gases that are charged in products A/C systems and the fugitive gases from our office operations are also included in this category. The emission factors are taken from DEFRA database-GHG Conversion Factors Full Set for the year 2022. The reported emission figure is our gross emission figure and does not include the impact of purchased offsets.

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

Reporting year

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

4836.75

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

96.11

(7.7.4) Methodological details

We are not able to reach supplier specific or residual emission factors, therefore the market-based figure is calculated using grid EF as a proxy. The EF database is revised in 2023.

Past year 1

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

4638.47

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

1088.46

(7.7.3) End date

12/31/2022

(7.7.4) Methodological details

We are not able to reach supplier specific or residual emission factors, therefore the market-based figure is calculated using grid EF as a proxy. The EF database is revised in 2023, therefore 2022 emissions are also revised using the same database.

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

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

176914.46

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Spend-based method

☑ Average spend-based method

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

100

(7.8.5) Please explain

This category includes all the purchased goods and services for our Adana production plant. The data is collected from our purchasing records in USD. The GHG emissions are calculated using US EPA - Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6. GHG emissions from purchased goods and services in France, Germany and US offices are excluded as detailed in Section 7.4.1 of this report. Purchased goods for our İstanbul office are included under Adana operations as all purchases in Türkiye is done by our purchasing team in Adana. As the activity data is taken directly from invoices of the suppliers 100% of emissions are calculated using data obtained from suppliers.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

541.75

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Spend-based method

☑ Average spend-based method

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

100

(7.8.5) Please explain

This category includes all the purchased capital goods for our Adana production plant. The data is collected from our purchasing records in USD. The GHG emissions are calculated using US EPA - Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6. GHG emissions from purchased capital goods France, Germany and US offices are excluded as detailed in Section 7.4.1 of this report. Capital goods purchases for our İstanbul office are included under Adana operations as all purchases in Türkiye is done by our purchasing team in Adana. As the activity data is taken directly from invoices of the suppliers 100% of emissions are calculated using data obtained from suppliers.

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

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

1515.1

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

☑ Fuel-based method

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

100

(7.8.5) Please explain

The data covers: Upstream emissions of purchased fuels such as natural gas, diesel oil and gasoline, Transmission & distribution losses arising from purchased electricity, Upstream emissions of purchased electricity. Fuel and electricity consumption data that is used in the Scope 1 and Scope 2 is used to calculate this category. There are no exclusions. 100% of the activity data is taken from supplier invoices.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

3192.81

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

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

100

(7.8.5) Please explain

Data regarding weight and distance carried by each transportation supplier affiliated with Temsa (transportation services purchased by TEMSA), as well as emissions resulting from transportation of the goods purchased by TEMSA were included in the calculation. The activity data is collected per transportation activity is amount of goods transported in tons, transportation methods used, load types, loading zip and arrival ports. The transportation distances are calculated using online distance calculator apps. Depending on the transported weight, load type and transportation model used, either ton.km or km data is used (only for ground transportation when full load is transported to TEMSA). The GHG emission factors are taken from DEFRA Conversion factors 2023 full set – 'Freighting Goods' and 'WTT-Delivery vehs & freight' sheets. All calculations include WTT emissions. GHG emissions from upstream transportation in İstanbul, France, Germany and US offices are excluded as detailed in Section 7.4.1 of this report.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

512.76

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Waste-type-specific method

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

0

(7.8.5) Please explain

This category includes the GHG emissions from the waste generated in TEMSA's production plant in Adana. Amount and type of waste is collected from legal waste declaration documents. The GHG emission factors are taken from DEFRA Conversion factors 2023 full set – 'Waste' tab and US-EPA GHG emission factors hub. GHG emissions from waste generated in İstanbul, France, Germany and US offices are excluded as detailed in Section 7.4.1 of this report.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

1199.51

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

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

100

(7.8.5) Please explain

We receive air travel data from our tourism agency. All business travels are tracked by the company. This category includes the GHG emissions from the flights of TEMSA personnel. Flight routes are obtained from our service provider. GHG emission data was also provided by the service provider company, however as their calculations didn't include WTT emissions, this category was recalculated using flight route data and GHG emission factors are taken from DEFRA Conversion factors 2023 full set – 'Business travel-air' and 'WTT-Business travel air' tabs. As the travel organizations are made locally from our Adana office, there are no exclusions.

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

1010.72

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Fuel-based method

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

100

(7.8.5) Please explain

The GHG emissions for this category is calculated using the data received from employee shuttle service providers in İstanbul and Adana. The data is received as liters of diesel oil consumed per year. The GHG emission factors are taken from DEFRA Conversion factors 2023 full set – 'Fuels' and 'WTT-Fuels' tabs. Employee commuting in our France office is reported under Scope 1 because employee shuttles in France are under our operational control. There are no employee shuttles in Germany and US. The GHG emissions from employee commuting in these locations are excluded as detailed in Section 7.4.1 of this report. 100% of activity data was taken from transportation service providers.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

We are using operational control approach to compile our GHG inventory. All of the GHG emissions that are related to our upstream leased assets (i.e. company cars) are reported under Scope 1 and Scope 2 GHG emissions. Therefore, this Scope 3 category is not relevant for our operations.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

1074.44

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

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

100

(7.8.5) Please explain

This category includes the transportation of goods sold by TEMSA, if the transportation service is purchased by TEMSA the GHG emissions are reported under category 4. The activity data is collected per transportation activity is the weight of goods transported in tons, transportation methods used, load types, loading ports, arrival ports and location of the customers. The transportation distances are calculated using online distance calculator apps. For international transport, ton.km data is used for calculation of emissions of marine and rail transport. Land transport is calculated using the average fuel consumption figures of the units sold as they can1wnot be transported on trucks. For domestic sales, the distance to the customer is calculated and the fuel consumption of the product for the trip from TEMSA premises to customer is estimated using the average fuel consumption figures. Fuel that is filled in the tank of the products before leaving TEMSA premises is deducted from this calculation to prevent double counting as it is already reported under Scope 1 GHG emissions. The GHG emission factors are taken from DEFRA Conversion factors 2023 full set – 'Fuels', 'Freighting Goods', 'WTT Fuels' and 'WTT-Delivery vehs & freight' sheets. All calculations include WTT emissions. There is no production in TEMSA's offices in İstanbul, France, Germany and US, therefore there are no GHG emissions related to downstream transportation in these locations.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, calculated

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

0.3

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

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

0

(7.8.5) Please explain

The semi-finished products TEMSA sells are bodyshells and batteries. This category comprises of processing of body shells and electric batteries sold. The weight of sold products are used to estimate the GHG emissions using processing these products into a final product. The GHG emission factors are calculated based on the assumption of similar production processes to TEMSA will be used during processing of these products. The amount of Natural gas, diesel oil, electricity and fugitive gases used is estimated for 1 ton of production at TEMSA. These values are then used to estimate the production related emissions using the emission factors of the country of production. In 2023 only 1 battery was sold, therefore the related emissions is very small. There is no production in TEMSA's offices in İstanbul, France, Germany and US, therefore there are no GHG emissions related to processing of sold products in these locations. This category is assessed to be not-relevant, however as we have the data readily available, the emissions are calculated.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

1539438.47

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

☑ Fuel-based method

☑ Distance-based method

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

0

(7.8.5) Please explain

This category comprises of the GHG emissions during the lifetime of TEMSA's products. For calculation a scenario is used. Estimated lifetime of products are assumed to be 12 years and estimated kms per lifetime is assumed as 800,000 km for heavy duty vehicles and 750,000 km for light duty vehicles in total life time. Fuel efficiency of each unit sold is known, and the lifetime emissions for each unit is estimated using the fuel consumption data over lifetime. The GHG emission factors are taken from DEFRA Conversion factors 2023 full set – 'Fuels' and 'WTT Fuels' sheets. There is no production in TEMSA's offices in İstanbul, France, Germany and US, therefore there are no GHG emissions related to use of sold products in these locations.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

16391.87

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Waste-type-specific method

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

100

(7.8.5) Please explain

To calculate emissions related to end-of-life treatment of sold products we used number and type of sold units to calculate the ton of goods sold. We also estimated the material types and percentage of the material types in our products (i.e.metal %, glass %, fabric %, etc.). For emission factors we used EPA GHG emission factors hub. We assumed 50% of fugitive gases from the A/C systems at the end-of-life stage. There is no production in TEMSA's offices in İstanbul, France, Germany and US, therefore there are no GHG emissions related to end-of-life treatment of sold products in these locations.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

TEMSA does not own any assets that can be leased to other companies/individuals.

Franchises

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

4534.45

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

☑ Fuel-based method

☑ Franchise-specific method

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

3.07

(7.8.5) Please explain

In 2023 we have requested Scope 1 and Scope 2 data from all of our franchises. We were able to receive reliable data from only 2 of the franchises. The data received from these franchises were extrapolated to calculate the emissions from this category. There are no emissions related to franchises for other TEMSA offices.

Investments

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

GHG Protocol Scope 3 Guidance outlines that for companies that choose operational control to compile their GHG inventory, the emissions from any asset the company wholly or partially owns but does not control are excluded from its direct emissions and should be included in its scope 3 inventory category 15. TEMSA does not have any joint ventures, partnerships with financial gain, affiliates and equity investments that it does not have operational control over. Therefore, this Scope 3 category is not relevant for TEMSA.

Other (upstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

We do not have any other upstream source of emissions. Therefore, this Scope 3 Category is not relevant and not included in our calculations.

Other (downstream)

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

We do not have any other downstream source of emissions. Therefore, this Scope 3 Category is not relevant and not included in our calculations.

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

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

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

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.1.4) Attach the statement

TEMSA-Verification Statement+Report.pdf

(7.9.1.5) Page/section reference

Page 1 – Scope 1 Direct Emissions
Page 5 -Relevant Standard (Verification Criteria), Level of Assurance, Verification Period
Page 10- Scope 1 Direct Emissions

(7.9.1.6) Relevant standard

Select from:

☑ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

100

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.2.5) Attach the statement

TEMSA-Verification Statement+Report.pdf

(7.9.2.6) Page/ section reference

Page 1 – Scope 2 Emissions (Location-Based)
Page 5 -Relevant Standard (Verification Criteria), Level of Assurance, Verification Period
Page 10 – Scope 2 Emissions (Location-Based)

(7.9.2.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.2.5) Attach the statement

TEMSA-Verification Statement+Report.pdf

(7.9.2.6) Page/ section reference

Page 1 – Scope 2 Emissions (Market-Based)
Page 5 -Relevant Standard (Verification Criteria), Level of Assurance, Verification Period
Page 10 – Scope 2 Emissions (Market-Based)

(7.9.2.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply
☑ Scope 3: Franchises
☑ Scope 3: Business travel
☑ Scope 3: Employee commuting
☑ Scope 3: Use of sold products
☑ Scope 3: Upstream leased assets
☑ Scope 3: Upstream transportation and distribution
☑ Scope 3: Downstream transportation and distribution
☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
☑ Scope 3: Downstream leased assets
☑ Scope 3: Processing of sold products
☑ Scope 3: Purchased goods and services
☑ Scope 3: Waste generated in operations
☑ Scope 3: End-of-life treatment of sold products

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Reasonable assurance

(7.9.3.5) Attach the statement

TEMSA GHG Verification Statement and Report.pdf

(7.9.3.6) Page/section reference

Page 2 – Annex 1 – Detail of Scope 3
Page 5 -Relevant Standard (Verification Criteria), Level of Assurance, Verification Period
Page 9 – Annex 1 – Detail of Scope 3

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:
☑ Increased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

1213.54

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

22.07

(7.10.1.4) Please explain calculation

Our renewable energy consumption was 8579 MWh which equals to a reduction of 4052 tCO2e.
In 2023 our Adana production plant was run on 100% renewable energy (12723.21 MWh). 11% of this renewable energy came from our own production from solar panels where the rest is purchased through a financial (Virtual) PPA reducing a total of 5265.54 tCO2e.
The amount of change is calculated as follows: 5265.54 – 4052=1213.54 tCO2e
Our total Scope 1+Scope 2 GHG emissions for 2022 was 5498.48 tons CO2e.
The emissions value in percentage is calculated as follows: 1213.54 tCO2e / 5498.48 tCO2e 22.07% reduction

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

292.65

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

5.32

(7.10.1.4) Please explain calculation

We have reduced 292.65 tons of Scope 1 and 2 GHG emissions due to the emission reduction projects implemented in 2023. Our total Scope 1Scope 2 GHG emissions for 2022 was 5498.48 tons CO2e. The emissions value in percentage is calculated as follows: 292.65 tCO2e / 5498.48 tCO2e = 5.32% reduction

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No divestment in 2023.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No acquisitions in 2023.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No mergers in 2023.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

1264.65

(7.10.1.2) Direction of change in emissions

Select from:
☑ Increased

(7.10.1.3) Emissions value (percentage)

23

(7.10.1.4) Please explain calculation

Our production has increased about 23% with respect to 2022. Assuming this increase reflects as a similar increase in emissions, this caused an increase of approximately 1264.65 tons CO2e in our GHG emissions. Our total Scope 1+Scope 2 GHG emissions for 2022 was 5498.48tons CO2e.
The emissions value in percentage is calculated as follows: 1264.65 tCO2e / 5498.48 tCO2e= 23%

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There was no change in methodology

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in boundary.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in physical operating conditions.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

703.6

(7.10.1.2) Direction of change in emissions

Select from:
☑ Increased

(7.10.1.3) Emissions value (percentage)

12.8

(7.10.1.4) Please explain calculation

Our Scope 1 and Scope 2 GHG emissions in 2022 was 5498.48 tCO2e. Estimated increase in emissions due to the increase in production is 1264.5 tons CO2e. So, if there were no emission reduction initiatives, our GHG emissions for the reporting year would be: 5498.48 tCO2e+1264.50tCO2e=6763.13 tCO2e
Total emission reductions due to emission reduction activities and renewable energy purchases equals to 1506.19 tons CO2e. Therefore, with the impact of the emission reduction activities, the GHG emissions for the reporting year should be equal to: 6763.13 tCO2e - 1506.19 tCO2e = 5256.94 tCO2e However total scope 1 and Scope 2 GHG emissions for the reporting year is 5960.53 tCO2e. Therefore, total unidentified change is calculated as follows: 5960.53 tCO2e - 5256.94 tCO2e= 703.60 tCO2e
The emissions value in percentage is calculated as follows: 703.60 tCO2e / 5498.48 tCO2e = 12.8%

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No other changes.

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Market-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:
☑ No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:
☑ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:
☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

5321.11

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☑ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

5.91

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

☑ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

27.21

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:

☑ HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

510.19

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Fifth Assessment Report (AR5 – 100 year)

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
France	*403.6*	*14.07*	*14.07*
Germany	*1.91*	*2.63*	*2.63*
Turkey	*5400.31*	*4784.57*	*43.93*
United States of America	*58.6*	*35.48*	*35.48*

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☑ By business division

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

	Business division	Scope 1 emissions (metric ton CO2e)
Row 1	*Production*	*4648.02*
Row 2	*Sales and Maintenance*	*1216.4*

(7.19) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

Transport OEM activities

(7.19.1) Gross Scope 1 emissions, metric tons CO2e

4648.02

(7.19.3) Comment

The GHG emissions related to the production of our vehicles. Includes natural gas used in production, diesel oil used in generators, leakage of the cooling gasses that are charged into the A/C systems of our products. Diesel oil and auto-natural gas filled in fuel tanks in our products.

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☑ By business division

(7.20.1) Break down your total gross global Scope 2 emissions by business division.

	Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	*Production*	*4740.64*	*0*
Row 2	*Sales & Maintenance*	*96.11*	*96.11*

(7.21) Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

Transport OEM activities

(7.21.1) Scope 2, location-based, metric tons CO2e

4740.64

(7.21.2) Scope 2, market-based (if applicable), metric tons CO2e

0

(7.21.3) Comment

The GHG emissions related to the production of our vehicles. As we are not able to differentiate between the Scope 2 emissions that are related directly to production, the figures given here include all our activities in our production plant in Adana, Türkiye.

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

5864.42

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

4836.75

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

96.11

(7.22.4) Please explain

TEMSA is not publicly traded therefore we do not publish our annual financial statements publicly. The entities reported here are also included in our internal financial statements.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

TEMSA is not publicly traded therefore we do not publish our annual financial statements publicly. The entities reported here are also included in our internal financial statements.

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ Not relevant as we do not have any subsidiaries

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:
☑ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ Yes
Consumption of purchased or acquired steam	*Select from:* ☑ No
Consumption of purchased or acquired cooling	*Select from:* ☑ No
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

23309.79

(7.30.1.4) Total (renewable and non-renewable) MWh

23309.79

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

11456.37

(7.30.1.3) MWh from non-renewable sources

465.05

(7.30.1.4) Total (renewable and non-renewable) MWh

11921.42

Consumption of purchased or acquired heat

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

47.34

(7.30.1.4) Total (renewable and non-renewable) MWh

47.34

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

1266.85

(7.30.1.4) Total (renewable and non-renewable) MWh

1266.85

Total energy consumption

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

12723.22

(7.30.1.3) MWh from non-renewable sources

23822.18

(7.30.1.4) Total (renewable and non-renewable) MWh

36545.4

(7.30.6) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	*Select from:* ☑ Yes
Consumption of fuel for the generation of heat	*Select from:* ☑ Yes
Consumption of fuel for the generation of steam	*Select from:* ☑ No
Consumption of fuel for the generation of cooling	*Select from:* ☑ No
Consumption of fuel for co-generation or tri-generation	*Select from:* ☑ No

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

We do not use sustainable biomass in any of our operations

Other biomass

(7.30.7.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

We do not use any other type of biomass in our operations.

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

We do not use any other type of renewable fuels in our operations.

Coal

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

We do not use coal in our operations.

Oil

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

8599.16

(7.30.7.3) MWh fuel consumed for self-generation of electricity

93.04

(7.30.7.4) MWh fuel consumed for self-generation of heat

8506.12

(7.30.7.8) Comment

Diesel oil and gasoline consumed in company vehicles and diesel oil that is filled in the fuel tanks of our products are reported under “MWh consumed for self-generation of heat” Diesel oil consumed in generators is reported under “MWh consumed for self-generation of electricity”. All MWh equivalents were calculated using net calorific values.

Gas

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

14710.63

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

14710.63

(7.30.7.8) Comment

Natural gas used in process and in heating. LPG used in forklifts. Auto natural gas filled in gas tanks of our products.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

We do not use any other non-renewable fuels.

Total fuel

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

23309.79

(7.30.7.3) MWh fuel consumed for self-generation of electricity

93.04

(7.30.7.4) MWh fuel consumed for self-generation of heat

23216.75

(7.30.7.8) Comment

Sum of all the fossil fuels used In our operations. We do not use any other fuels that can be classified as renewable fuels.

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

1359.88

(7.30.9.2) Generation that is consumed by the organization (MWh)

1359.88

(7.30.9.3) Gross generation from renewable sources (MWh)

1266.85

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

1266.85

Heat

(7.30.9.1) Total Gross generation (MWh)

14691.1

(7.30.9.2) Generation that is consumed by the organization (MWh)

14691.1

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:
☑ Turkey

(7.30.14.2) Sourcing method

Select from:
☑ Financial (virtual) power purchase agreement (VPPA)

(7.30.14.3) Energy carrier

Select from:
☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:
☑ Wind

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1666

(7.30.14.6) Tracking instrument used

Select from:

☑ I-REC

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Turkey

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2016

(7.30.14.10) Comment

We have purchased 1666 MWh of renewable energy for our energy consumption in the 1st quarter of 2023 at Adana plant from Seferihisar Wind Power Plant through our virtual PPA with our service provider.

Row 2

(7.30.14.1) Country/area

Select from:

☑ Turkey

(7.30.14.2) Sourcing method

Select from:

☑ Financial (virtual) power purchase agreement (VPPA)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Solar

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

3281

(7.30.14.6) Tracking instrument used

Select from:

☑ I-REC

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Turkey

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2018

(7.30.14.10) Comment

We have purchased 3281 MWh of renewable energy for our energy consumption in the 2nd quarter of 2023 at Adana plant from Best Brands Group 3 Solar PV Plant through our virtual PPA with our service provider.

Row 3

(7.30.14.1) Country/area

Select from:

☑ Turkey

(7.30.14.2) Sourcing method

Select from:

☑ Financial (virtual) power purchase agreement (VPPA)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Small hydropower (<25 MW)

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

3363

(7.30.14.6) Tracking instrument used

Select from:

☑ I-REC

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Turkey

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2015

(7.30.14.10) Comment

We have purchased 3363 MWh of renewable energy for our energy consumption in the 3rd quarter of 2023 at Adana plant from Kopruyanı Regulator and Hydroelectric Power Plant through our virtual PPA with our service provider.

Row 4

(7.30.14.1) Country/area

Select from:

☑ Turkey

(7.30.14.2) Sourcing method

Select from:

☑ Financial (virtual) power purchase agreement (VPPA)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Sustainable biomass

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

3148

(7.30.14.6) Tracking instrument used

Select from:

☑ I-REC

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Turkey

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2020

(7.30.14.10) Comment

We have purchased 3148 MWh of renewable energy for our energy consumption in the 4th quarter of 2023 at Adana plant from Karaman Biomass Power Plant through our virtual PPA with our service provider.

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

France

(7.30.16.1) Consumption of purchased electricity (MWh)

273.78

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

692.78

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

966.56

Germany

(7.30.16.1) Consumption of purchased electricity (MWh)

8.45

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

8.45

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

11539.16

(7.30.16.2) Consumption of self-generated electricity (MWh)

1359.88

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

47.34

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

13996.95

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

26943.33

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

100.03

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

1.4

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

101.43

(7.35) Provide any efficiency metrics that are appropriate for your organization's transport products and/or services.

Row 1

(7.35.1) Activity

Select from:
☑ Light Duty Vehicles (LDV)

(7.35.2) Metric figure

387.98

(7.35.3) Metric numerator

Select from:

☑ gCO2e

(7.35.4) Metric denominator

Select from:

☑ Use phase: Vehicle.km

(7.35.5) Metric numerator: Unit total

387.98

(7.35.6) Metric denominator: Unit total

1

(7.35.7) % change from previous year

0

(7.35.8) Please explain

Fuel consumption in SORT tests, specifically SORT-2, is determined by simulating the real-word urban driving conditions for buses. The tests involve different driving cycles, including periods of acceleration, deceleration, and idling, to reflect typical urban stop-and-go traffic. The average fuel consumption is then calculated based on the vehicle's performance during these cycles, offering a standardized measure to compare fuel efficiency across vehicles under similar conditions. The given figure is calculated using an average fuel consumption figure for all the LDV units sold in 2023.

Row 2

(7.35.1) Activity

Select from:

☑ Heavy Duty Vehicles (HDV)

(7.35.2) Metric figure

822.28

(7.35.3) Metric numerator

Select from:

☑ gCO2e

(7.35.4) Metric denominator

Select from:

☑ Use phase: Vehicle.km

(7.35.5) Metric numerator: Unit total

822.28

(7.35.6) Metric denominator: Unit total

1

(7.35.7) % change from previous year

0

(7.35.8) Please explain

Fuel consumption in SORT tests, specifically SORT-2, is determined by simulating the real-word urban driving conditions for buses. The tests involve different driving cycles, including periods of acceleration, deceleration, and idling, to reflect typical urban stop-and-go traffic. The average fuel consumption is then calculated based on the vehicle's performance during these cycles, offering a standardized measure to compare fuel efficiency across vehicles under similar conditions. The given figure is calculated using an average fuel consumption figure for all the HDV units sold in 2023.

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

6.5e-7

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

5960.53

(7.45.3) Metric denominator

Select from:
☑ unit total revenue

(7.45.4) Metric denominator: Unit total

9170901638

(7.45.5) Scope 2 figure used

Select from:
☑ Market-based

(7.45.6) % change from previous year

47.89

(7.45.7) Direction of change

Select from:
☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Change in renewable energy consumption

☑ Other emissions reduction activities

☑ Change in revenue

(7.45.9) Please explain

Our GHG emissions/revenue has decreased from 0.00000125 to 0.00000065 showing a 47.89% decrease. There are two major reasons behind this decrease:

1- *We have used 100% renewable energy in our Adana production plant*
2- *We have implemented 5 emission reduction projects apart from renewable energy purchases, details of which are given under section 7.55.2 of this report.*
3- *Our revenue has increased by 108.02%.*

(7.50) Provide primary intensity metrics that are appropriate to your indirect emissions in Scope 3 Category 11: Use of sold products from transport.

Row 1

(7.50.1) Activity

Select from:

☑ Light Duty Vehicles (LDV)

(7.50.2) Emissions intensity figure

0.1104965

(7.50.3) Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e

372925.73

(7.50.4) Metric denominator

Select from:

☑ t.km

(7.50.5) Metric denominator: Unit total

3375000

(7.50.6) % change from previous year

0

(7.50.7) Vehicle unit sales in reporting year

1156

(7.50.8) Vehicle lifetime in years

12

(7.50.9) Annual distance in km or miles (unit specified by column 4)

62500

(7.50.10) Load factor

The Load factor is calculated as the average weight that one vehicle can carry per trip. For this calculation load factor is taken as 4.5 tons. There are no passenger vehicles to be reported under this category.

(7.50.11) Please explain the changes, and relevant standards/methodologies used

This year we have revised our methodology, and we are not able to reach previous year data, hence % change from previous year is given as “0”.

Row 2

(7.50.1) Activity

Select from:

☑ Light Duty Vehicles (LDV)

(7.50.2) Emissions intensity figure

0.0359083

(7.50.3) Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e

430899.6

(7.50.4) Metric denominator

Select from:

☑ p.km

(7.50.5) Metric denominator: Unit total

12000000

(7.50.6) % change from previous year

0

(7.50.7) Vehicle unit sales in reporting year

1106

(7.50.8) Vehicle lifetime in years

12

(7.50.9) Annual distance in km or miles (unit specified by column 4)

66666.67

(7.50.10) Load factor

The load factor is calculated using average data. This category includes midibuses. For vehicles that are used in public transportation, we assumed they are about 1/2 full.

(7.50.11) Please explain the changes, and relevant standards/methodologies used

This is our first year of calculation for this figure, therefore % change from previous year is given as "0".

Row 3

(7.50.1) Activity

Select from:

☑ Heavy Duty Vehicles (HDV)

(7.50.2) Emissions intensity figure

0.0287349

(7.50.3) Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e

735613.14

(7.50.4) Metric denominator

Select from:

☑ p.km

(7.50.5) Metric denominator: Unit total

25600000

(7.50.6) % change from previous year

0

(7.50.7) Vehicle unit sales in reporting year

932

(7.50.8) Vehicle lifetime in years

12

(7.50.9) Annual distance in km or miles (unit specified by column 4)

66666.67

(7.50.10) Load factor

The load factor is calculated using average data. This category includes intercity busses andpublic transportation busses. For vehicles that are used in public transportation, we assumed they are about 1/2 full, for intercity buses we assumed they would be 72% full during each trip. We took a weighted average of occupancy figures and load factor is calculated as 32.

(7.50.11) Please explain the changes, and relevant standards/methodologies used

This year we have revised our methodology and we are not able to reach previous year data, hence % change from previous year is given as “0”.

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☑ Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

08/17/2022

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)
☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1
☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

12/31/2021

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

3847.25

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

3562.49

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

7409.740

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2030

(7.53.1.55) Targeted reduction from base year (%)

42

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

4297.649

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

5864.42

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

96.11

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

5960.530

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

46.57

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

The target covers all our operations. We target a 42% reduction in our Scope 1 and Scope 2 GHG emissions from a 2021 base year until 2030. This target is a near-term target which is in line with SBTi recommendations and also in line with Sabancı Holding targets. The SBTi temporarily paused the validation of targets for automakers in 2022 because there was no defined pathway to align automakers' Scope 3 Category 11 emissions with 1.5'C. In March 20, 2024, the updated Land Transport Guidance was published by SBTi. The release of this updated guidance enables automakers to set near and long-term targets to cut their scopes 1,2, and 3 category 11 "use phase" emissions in line with 1.5C. We are currently in the process of revising this target according to the revised Land Transport Guidance.

(7.53.1.83) Target objective

The objective of setting this GHG emission reduction target is to align our operations with global climate goals and to actively contribute to mitigating climate change. By committing to a 42% reduction in Scope 1 and 2 emissions by 2030 from a 2021 base year, TEMSA demonstrates its dedication to transitioning towards more sustainable and energy-efficient practices. This target, as part of the company's broader climate transition plan, reflects its intent to gradually reduce its environmental footprint while working towards the longer-term goal of achieving net-zero emissions by 2050.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Based on the 2021 baseline, reduce Scope 1 and Scope 2 GHG emissions by 42% by 2030 in alignment with the SBTi. This target will be achieved by implementing a comprehensive decarbonization strategy, focusing on increasing energy efficiency, transitioning to renewable energy sources, and optimizing operational processes to minimize emissions. Progress will be tracked annually to ensure alignment with the 2030 target. More than 50% of our Scope 1 and Scope 2 GHG emissions come from our electricity use. Until 2030 we have plans to increase our production capacity, to reduce our GHG emissions while increasing capacity, we are researching new technologies. We have invested on Solar Panels and we also purchase bundled energy attribute certificates. Through renewable energy investments we have achieved 46.57% of our target in 2023.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 2

(7.53.1.1) Target reference number

Select from:

☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

08/17/2022

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

12/31/2021

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

3847.25

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

3562.49

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

7409.740

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2050

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

5864.42

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

96.11

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

5960.530

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

19.56

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

The target covers all our operations. This is our long-term target which is in line with our Net Zero 2050 target. We aim a 100% reduction in our Scope 1 and Scope 2 GHG emissions from a 2021 base year until 2050. This target is in line with SBTi recommendations. The SBTi temporarily paused the validation of targets for automakers in 2022 because there was no defined pathway to align automakers' Scope 3 Category 11 emissions with 1.5'C. In March 20, 2024, the updated Land Transport Guidance was published by SBTi. The release of this updated guidance enables automakers to set near and long-term targets to cut their scopes 1,2, and 3 category 11 "use phase" emissions in line with 1.5C. We are currently in the process of revising this target according to the revised Land Transport Guidance.

(7.53.1.83) Target objective

The long-term target of reducing Scope 1 and Scope 2 emissions by 100% by 2050, relative to a 2021 base year, reflects TEMSA's commitment to achieving full decarbonization of its operations. This ambitious goal underscores TEMSA's role in advancing the global transition to a low-carbon economy. By setting a 100% reduction target, the company aims to eliminate its direct and energy-related emissions, demonstrating leadership in sustainability and reinforcing its responsibility towards creating a cleaner, more resilient future. This target is integral to the company's vision of reaching net-zero emissions and contributing to the global effort to combat climate change.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

More than 50% of our Scope 1 and Scope 2 GHG emissions come from our electricity use. Until 2030 we have plans to increase our production capacity, to reduce our GHG emissions while increasing capacity, we are researching new technologies. We have invested on Solar Panels and we also purchase bundled energy attribute certificates. Through renewable energy investments we have achieved 19.56% of our target in 2023.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☑ Targets to increase or maintain low-carbon energy consumption or production

☑ Net-zero targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

☑ Low 1

(7.54.1.2) Date target was set

03/03/2021

(7.54.1.3) Target coverage

Select from:

☑ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

☑ Electricity

(7.54.1.5) Target type: activity

Select from:

☑ Consumption

(7.54.1.6) Target type: energy source

Select from:

☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/31/2021

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

0

(7.54.1.9) % share of low-carbon or renewable energy in base year

0

(7.54.1.10) End date of target

12/31/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

96.47

(7.54.1.13) % of target achieved relative to base year

96.47

(7.54.1.14) Target status in reporting year

Select from:

☑ Underway

(7.54.1.16) Is this target part of an emissions target?

This target is part of our Abs1 and Abs2 Scope 1 and Scope 2 GHG emission reduction targets.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

This target covers all our operations. We have started purchasing renewable energy in April 2022, and we plan to purchase 100% of our electricity consumption from renewable sources, every year until 2030.

(7.54.1.20) Target objective

The target of consuming 100% renewable energy across all operations by 2030 highlights TEMSA's commitment to reducing its dependency on fossil fuels and advancing toward a sustainable energy future. This objective is driven by the desire to minimize the carbon intensity of the company's energy consumption, contributing to both immediate emission reductions and long-term decarbonization goals. By transitioning to entirely renewable energy sources, the company aims to lower its environmental impact, reduce operational risks associated with energy volatility, and align with global efforts to limit climate change. This target supports TEMSA's broader sustainability strategy and its pathway to achieving net-zero emissions.

(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

We plan to achieve this target by purchasing bundled energy attribute certificates every year. In 2023 96.47% of our electricity consumption were from renewable sources.

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☑ NZ1

(7.54.3.2) Date target was set

08/17/2022

(7.54.3.3) Target Coverage

Select from:

☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Abs1

☑ Abs2

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.54.3.10) Explain target coverage and identify any exclusions

This target covers all of our Scope 1, Scope 2 and Scope 3 GHG emissions. There are no exclusions. We have also committed to SBTi, however as SBTi has announced temporarily pausing near-term and long-term target validations for automakers until 1.5C Scope 3 targets for use-phase emissions from new road vehicles are developed and approved, therefore, we have not submitted this target to SBTi.

(7.54.3.11) Target objective

The objective of TEMSA's 2050 Net-Zero emissions target is to fully eliminate its greenhouse gas emissions across its entire value chain, positioning TEMSA as a leader in the global effort to combat climate change. By striving for net-zero by 2050, TEMSA aims to drastically reduce its carbon footprint through innovation, energy efficiency, and the adoption of sustainable practices, while offsetting any residual emissions that cannot be eliminated. This long-term target reflects TEMSA's responsibility to align with international climate agreements and to help limit global temperature rise, ensuring the sustainability and resilience of its operations, industry, and communities for future generations.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ No, we do not plan to mitigate emissions beyond our value chain

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

TEMSA is actively working on developing a comprehensive plan for the neutralization of any remaining emissions by 2050 as part of its Net-Zero target. While the long-term goal includes the purchase and cancellation of carbon credits to offset residual emissions at the end of the target, we are yet to establish specific milestones or near-term investments for this neutralization strategy. TEMSA is committed to carefully assessing and integrating effective offset solutions that align with its broader sustainability goals and will continue refining this aspect of the plan as part of its overall climate transition strategy.

(7.54.3.17) Target status in reporting year

Select from:

☑ Underway

(7.54.3.19) Process for reviewing target

TEMSA's Net-Zero target undergoes a regular review process to ensure alignment with evolving scientific recommendations, industry standards, and regulatory requirements. This process involves assessing the progress toward the target, updating emission reduction strategies, and incorporating new technologies or innovations that enhance decarbonization efforts. TEMSA will evaluate its performance through transparent reporting and adjust its action plans as needed to stay on track. Stakeholder input, including feedback from customers, and environmental experts, will be considered to ensure that the target remains ambitious, achievable, and reflective of best practices in sustainability and climate action.

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	*3*	*`Numeric input*
To be implemented	*0*	*0*
Implementation commenced	*0*	*0*

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Implemented	*9*	*5076.19*
Not to be implemented	*8*	*`Numeric input*

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

10.93

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

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

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

70879

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

462910

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 11-15 years

(7.55.2.9) Comment

Lighting system renovation and upgrade in our Adana production plant. Saving 24 MWh of electricity and reducing 9.94 tCO2e from Scope 2 and 0.99 tCO2e from Scope 3 Category 3 emissions.

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Motors and drives

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

37.68

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

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

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

265500

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

245054

(7.55.2.7) Payback period

Select from:

☑ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Installation of a drive system in the compressor. Saving 82.84 MWh of electricity and reducing 34.28 tCO2e from Scope 2 and 3.40 tCO2e from Scope 3 Category 3 emissions.

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Compressed air

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

17.96

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

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

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

99276

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

309559

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 1-2 years

(7.55.2.9) Comment

Prevention of compressed air leaks. Saving 39.5 MWh of electricity and reducing 16.34 tCO2e from Scope 2 and 1.62 tCO2e from Scope 3 Category 3 emissions.

Row 4

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

31.22

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

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

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

240240

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

911352

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 11-15 years

(7.55.2.9) Comment

Replacement of old compressors with more efficient versions. Saving 68.64 MWh of electricity and reducing 28.40 tCO2e from Scope 2 and 2.82 tCO2e from Scope 3 Category 3 emissions.

Row 5

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Process optimization

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

237.07

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

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

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

1096854

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

0

(7.55.2.7) Payback period

Select from:

☑ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 16-20 years

(7.55.2.9) Comment

Process optimization in two of our drying ovens where we are able to use the same oven for more vehicles, therefore we are able to use the ovens less than before. Saving 997481 kWh of Natural gas and reducing 203.69 tCO2e from Scope 1 and 33.39 tCO2e from Scope 3 Category 3 emissions. As this optimization action did not require any investment, payback period is selected as 'No payback'.

Row 6

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☑ Wind

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

689.39

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

10736193

(7.55.2.7) Payback period

Select from:

☑ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ <1 year

(7.55.2.9) Comment

We have purchased renewable energy attribute certificates for 1666 MWh of our electricity consumption, from a wind power plant in 2023, reducing 689.39 tCO2 of our Market-Based Scope 2 GHG emissions. As this investment doesn't result in monetary savings the payback period is selected as no payback. The figure given under column "Investment required" is the total amount paid for electricity purchase from our electricity supplier. The amount invested in iRec certificates can not be differentiated as it is part of the purchasing contract and we are not billed separately.

Row 7

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☑ Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1357.68

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

7049846

(7.55.2.7) Payback period

Select from:

☑ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ <1 year

(7.55.2.9) Comment

We have purchased renewable energy attribute certificates for 3281 MWh of our electricity consumption, from a Solar PV power plant in 2023, reducing 1357.68 tCO2 of our Market-Based Scope 2 GHG emissions. As this investment doesn't result in monetary savings the payback period is selected as no payback. The figure given under column "Investment required" is the total amount paid for electricity purchase from our electricity supplier. The amount invested in iRec certificates can not be differentiated as it is part of the purchasing contract and we are not billed separately.

Row 8

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☑ Small hydropower (<25 MW)

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1391.61

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

12111434

(7.55.2.7) Payback period

Select from:

☑ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ <1 year

(7.55.2.9) Comment

We have purchased renewable energy attribute certificates for 3363 MWh of our electricity consumption, from a small hydroelectric power plant in 2023, reducing 1391.61 tCO2 of our Market-Based Scope 2 GHG emissions. As this investment doesn't result in monetary savings the payback period is selected as no payback. The figure given under column "Investment required" is the total amount paid for electricity purchase from our electricity supplier. The amount invested in iRec certificates can not be differentiated as it is part of the purchasing contract and we are not billed separately.

Row 9

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy generation

☑ Solid biofuels

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1302.64

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

11561536

(7.55.2.7) Payback period

Select from:

☑ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ <1 year

(7.55.2.9) Comment

We have purchased renewable energy attribute certificates for 3148 MWh of our electricity consumption, from a solid biomass power plant in 2023, reducing 1302.64 tCO2 of our Market-Based Scope 2 GHG emissions. As this investment doesn't result in monetary savings the payback period is selected as no payback. The figure given under column "Investment required" is the total amount paid for electricity purchase from our electricity supplier. The amount invested in iRec certificates can not be differentiated as it is part of the purchasing contract and we are not billed separately.

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☑ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

At TEMSA, we allocate a large part of our investments to developing electric vehicles. The ratio of sustainability-oriented R&D and innovation investments in the total R&D budget was 35 percent in 2023, and revenue we obtained from products that we define as sustainable products amounted to approximately 201 million TL.

Row 2

(7.55.3.1) Method

Select from:

☑ Dedicated budget for energy efficiency

(7.55.3.2) Comment

We have a dedicated budget for energy efficiency projects. In 2023 we have reduced 303.47 tCO2e through efficiency projects.

Row 3

(7.55.3.1) Method

Select from:

☑ Employee engagement

(7.55.3.2) Comment

We engage our employees by training them on energy efficiency. We have trained all of our employees within the scope of ISO 50001. A core team was established to carry out energy efficiency studies within the factory. Internal auditors were selected from this team to oversee the work.

Row 4

(7.55.3.1) Method

Select from:

☑ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

We have a dedicated budget for regulatory requirements. In 2023 we have invested 884916 TRY for SDG aligned expenditures for legal compliance and 295430 TRY for SDG aligned expenditures beyond legal compliance.

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☑ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☑ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ Climate Bonds Taxonomy

(7.74.1.3) Type of product(s) or service(s)

Road

☑ Lithium-ion batteries

(7.74.1.4) Description of product(s) or service(s)

Avenue Electron bus is on sale from 2021. Avenue Electron's environmentally friendly performance ensures zero noise and zero emissions, so it meets the environmental needs of smart cities. Its 'driving pedal' single pedal drive increases the coach's range by 15% while saving electricity, while brake energy recovery up to a rate of 44% ensures a higher level of efficiency. Batteries with 240 kW, 300 kW and 360 kW options, and the battery management system offer a travelling range up to 350 km.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Estimating and Reporting the Comparative Emissions Impacts of Products (WRI)

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Use stage

(7.74.1.8) Functional unit used

1 Electric Powered Avenue Electron Bus

(7.74.1.9) Reference product/service or baseline scenario used

1 Diesel-Powered Avenue LF Bus

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

629.74

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Assumptions:
Estimated lifetime: 12 years and 800,000 km's for both vehicles
Average fuel efficiency for Avenue Electron: 100 kWh/100km
Average fuel efficiency for Avenue LF: 35 liters/ 100 km
Average emission factor for the EU grid, expected average between 2021 and 2032: 0,159 kgCO2e/kWh
Emission factor for diesel oil: 2.6972 kgCO2/liters
Over its lifetime the electric version of Avenue is estimated to use 800,000 kWh of electricity, while the diesel-powered version is expected to use 280,000 liters of diesel oil.
Lifetime emissions of Avenue EV equals 125.48 tCO2e, whereas diesel-powered Avenue emits 755.22 tCO2e.
Therefore using the EV version avoids 629.74 tCO2e emissions.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

3

(7.75) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.

Row 1

(7.75.1) Activity

Select from:
☑ Heavy Duty Vehicles (HDV)

(7.75.2) Metric

Select from:
☑ Sales

(7.75.3) Technology

Select from:
☑ Battery electric vehicle (BEV)

(7.75.4) Metric figure

23

(7.75.5) Metric unit

Select from:

☑ Units

(7.75.6) Explanation

In 2023 we have sold 23 electric vehicles which is 62.3% lower than our sales numbers in 2022.Unfortunately, due to the significant impact of the earthquake that occurred in Türkiye in February, our production has been negatively affected, we have experienced a decrease in production.

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☑ No

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Actions taken in the reporting period to progress your biodiversity-related commitments
	Select from: ☑ No, we are not taking any actions to progress our biodiversity-related commitments

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?
	Select from: ☑ No, we do not use indicators, but plan to within the next two years

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

TEMSA Skoda Sabancı Ulaşım Araçları A.Ş. pursuant to the Supplementary EIAR (Environmental Impact Assessment Report) prepared on the Expansion of Vehicle Production Facility and in accordance with the EIA Regulation published in the Official Gazette No:28784 dated 03.10.2013, the area of influence of TEMSA operations is not within the areas required to be conserved in accordance with the legislation of Türkiye. Areas required to be conserved are defined as follows: National Parks, Natural Parks, Natural Monuments, Nature Reserves; Wildlife Conservation Areas and Wildlife Development Sites; Areas defined as Cultural Heritage, Natural Heritage, Archaeological Sites and Protected Areas; Designated Zones for the Production and Development of Aquaculture; Areas defined in the Water Pollution Control Regulation; Areas that have been reported in Air Quality Guidelines as Delicate Contamination Zones; Areas identified and declared as Special Environmental Protection Areas (SEPAs) within the scope of the Environmental Law; Areas that are under protection in accordance with Bosphorus Law, Areas that have not lost their forest character pursuant to Forest Law; Areas where construction is prohibited in accordance with the Coastal Law; Areas specified in the Law on the Breeding of Olive Cultivation and the Vaccination of Wild Animals; Areas specified in the Law on Pasture and Grazing Land; Areas specified in the Regulation on the Protection of Wetlands.

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

According to the UNESCO World Heritage Conversion, there are 21 sites in Türkiye that have been designated as world heritage sites. As TEMSA, we do not operate in or near any of these listed sites.

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

There is one reserve recognized under UNESCO's Man and the Biosphere (MAB) Reserves program in Türkiye. According to the UNESCO Man and the Biosphere (MAB) Map, TEMSA does not have any operations in or near the designated areas.

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

The Convention on Wetlands is the intergovernmental treaty that provides the framework for the conservation and wise use of wetlands and their resources. Türkiye joined the Ramsar contracting parties in 1994. Yumurtalık Lagoons and Akyatan Lagoon are Ramsar sites located in Adana. Yumurtalık Lagoons have been designated as a Nature Conservation Site and a Nature SIT area of 1st degree under national law. Akyatan Lagoon has been designated as a Primary Natural Site and a Wildlife Protection Area under national law. Yumurtalık and Akyatan Lagoons have been categorized as Ramsar sites listed under Article 4 of the Wetlands Conservation Regulation of our country's laws. Considering the evaluations of our TEMSA Environmental Impact Assessment Report and the areas requiring protection according to our country's regulations, our activities are not within the specified areas.

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

Among the Earth's most diverse regions, Key Biodiversity Areas (KBAs) play crucial role in maintaining the planet's biodiversity and overall health. These sites have proven to be essential tools for guiding conservation and sustainable management decisions. Upon reviewing the Key Biodiversity Areas (KBAs) Data, it is found that Türkiye has 268 KBAs covering an area of 176.297 square kilometers. Although there are Key Biodiversity Areas (KBAs) such as Yılanlıkale Hills, Seyhan Delta, Ceyhan Delta, and Sugözü-Akkum in Adana, as TEMSA we do not operate in or near these areas.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

As TEMSA, in accordance with both our Environmental Impact Assessment Report and national regulations, we do not operate in the following areas: National Parks, Natural Parks, Natural Monuments, Nature Reserves; Wildlife Conservation Areas and Wildlife Development Sites; Areas defined as Cultural Heritage, Natural Heritage, Archaeological Sites and Protected Areas; Designated Zones for the Production and Development of Aquaculture; Areas defined in the Water Pollution Control Regulation; Areas that have been reported in Air Quality Guidelines as Delicate Contamination Zones; Areas identified and declared as Special Environmental Protection Areas (SEPAs) within the scope of the Environmental Law; Areas that are under protection in accordance with Bosphorus Law, Areas that have not lost their forest character pursuant to Forest Law; Areas where construction is prohibited in accordance with the Coastal Law; Areas specified in the Law on the Breeding of Olive Cultivation and the Vaccination of Wild Animals; Areas specified in the Law on Pasture and Grazing Land; Areas specified in the Regulation on the Protection of Wetlands.

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Electricity/Steam/Heat/Cooling consumption

☑ Electricity/Steam/Heat/Cooling generation

☑ Emissions breakdown by country/area

☑ Energy attribute certificates (EACs)

☑ Renewable Electricity/Steam/Heat/Cooling consumption

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

☑ ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

Climate change-related standards

☑ IRECS (International Renewable Energy Certificate services)

☑ ISO 14064-3

(13.1.1.4) Further details of the third-party verification/assurance process

We obtained third-party verification in accordance with ISAE 3000, ISAE 3410, IRECS, and ISO 14064-3 standards. These verifications ensure the accuracy and reliability of our sustainability performance data, including green-house gas (GHG) emissions, and renewable energy claims. It confirms that our GHG disclosures, and renewable energy usage comply with international protocols and standards, providing independent verification of our sustainability efforts. The verification reports for Scope 123 GHG emissions, limited assurance report and iRec certificates are attached as evidence documents.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

TEMSA Verified Data Points.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Consolidation approach

☑ Consolidation approach

☑ All data points in module 6

(13.1.1.3) Verification/assurance standard

Climate change-related standards

☑ ISO 14064-3

(13.1.1.4) Further details of the third-party verification/assurance process

We have obtained 3rd party verification for our Scope 1, Scope 2 and Scope 3 GHG emissions inventory calculations. As a part of this process, the verifiers have also checked our data consolidation approach, and this approach is included in Page 3 of our verification report.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Temsa_GHG Verification Report_090924.pdf

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Executive Officer

(13.3.2) Corresponding job category

Select from:

☑ Chief Executive Officer (CEO)