



## Welcome to your CDP Climate Change Questionnaire 2022

### C0. Introduction

#### C0.1

##### **(C0.1) Give a general description and introduction to your organization.**

Anadolu Isuzu is a joint stock company that is operating in Turkey, affiliated to Anadolu Group with a Japanese partnership. Anadolu Isuzu received its current title in 1983 with the license agreement that is signed with Isuzu Motors Limited. In 1984, production of Isuzu vehicles is started at the Istanbul Kartal Factory. Production of Isuzu light trucks is started in July 1984. The company started the production of light trucks and similar midibuses with a joint venture agreement in 1984 with Isuzu Motors Limited and Itochu Cooperation. Anadolu Isuzu, which operates in the automotive sector, commercial vehicle segment; has a rich product range, high quality after-sales services, and countrywide distributor and technical service structure. Producing vehicles in the truck, pickup truck, midibus, bus and pick-up segments, the company has also achieved an important position in export markets.

Anadolu Isuzu carries out its production activities in its facilities built on a 300 thousand m<sup>2</sup> land in Çayırova Şekerpinar. With a total production capacity of 19,012 vehicles in a single shift, our company not only produces but also markets commercial vehicles. In 1996, the share of Japanese partners was increased to 30%, and our company was renamed as Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. We work in close cooperation with our suppliers and business partners, who are an important part of our ecosystem, in order to provide solutions with high R&D contribution and to manage risks correctly in our operations. Anadolu Isuzu R&D Center is one of the first registered R&D centers to the Ministry of Science, Industry and Technology in Turkey. The center, whose history dates back to 2009, continued its activities as an engineering department in its previous years. In 2021, the R&D Center continued to add value to the lives of its customers by offering innovative products and services that respect nature with its dynamic and expert staff of 125 people.



Anadolu Isuzu, which provides services to its customers in 60 provinces in Turkey with 93 authorized service points, has distributors in more than 40 countries abroad. As of the end of 2021, the average number of employees at Anadolu Isuzu is 1000. Anadolu Isuzu shares have been traded in Borsa Istanbul (BIST) with the trading code "ASUZU" since 1997.

Our company has achieved the leadership of midibus exports in Turkey among all brands for the 18th time in 2021. Anadolu Isuzu midibuses can appeal to customers from all segments with their low fuel consumption and low operating costs. Midibuses respond to the needs of individual and fleet users with their agile structures and become one of the transportation solutions frequently preferred by the service sector.

Anadolu Isuzu prioritizes the climate crisis in all axes and continues its necessary investment and R&D studies intensively. In addition to reducing emissions from our production cycle, it is among our goals to be a role model in raising awareness of the climate crisis throughout our supply chain. The climate crisis is a candidate to produce important and devastating consequences in terms of economic, environmental and social sustainability. Anadolu Isuzu is determined to contribute to the fight against the climate crisis by reducing its ecological footprint within the scope of its production and trade cycle.

Our strategies to combat climate change are carried out in line with the European Green Deal roadmap in line with the Anadolu Isuzu Strategic Business Plan.

One of the main areas in which we will make a positive contribution is the development of vehicles with alternative fuel systems and their introduction to the market and ensuring energy efficiency in vehicles.

Anadolu Isuzu's Kendo/Interliner vehicle, while protecting the nature with its environmentally friendly CNG engine, also contributes significantly to the profits of its customers with its low fuel consumption. Kendo/Interliner CNG was awarded the "Sustainable Bus of the Year 2022" award in the Intercity segment at the "Sustainable Bus Award" organization held in Europe.

Anadolu Isuzu continues its efforts on the path of digitalization to create more efficient business models without slowing down.

Thanks to the established IoT infrastructure, the Smart Factory project allows fast and error-free vehicle production and process tracking with the highest precision. Different departments such as production, quality, sales and export have instant access to all the information they need about production and delivery. The advanced functions of the project significantly contribute to Anadolu Isuzu's achievement of its paperless production target by reducing the carbon footprint of its production processes.

As Anadolu Isuzu, we are pleased to share our performance in combating climate change with the public by participating in the Carbon Disclosure Project (CDP).



## C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

|                | Start date      | End date          | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|----------------|-----------------|-------------------|---|--|
| Reporting year | January 1, 2021 | December 31, 2021 | Yes   | 2 years  |

## C0.3

**(C0.3) Select the countries/areas in which you operate.**

Turkey

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

TRY

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

## C-TO0.7/C-TS0.7

**(C-TO0.7/C-TS0.7) For which transport modes will you be providing data?**

Light Duty Vehicles (LDV)

Heavy Duty Vehicles (HDV)



## C0.8

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

| Indicate whether you are able to provide a unique identifier for your organization | Provide your unique identifier |
|--|--------------------------------|
| Yes, another unique identifier, please specify<br>LEI code                         | 789000W9CMLD3UGQST21           |

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

#### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

| Position of individual(s) | Please explain   |
|---------------------------|--|
| Board-level committee     | <p>Anadolu Isuzu's supervision on sustainability and climate change is the responsibility of the Board of Directors. Anadolu Isuzu's Senior Management is responsible for the management of sustainability and climate change issues. There is a sustainability committee to support the Board of Directors and the Senior Management by conducting research on sustainability and climate change.</p> <p>Under the leadership of the Sustainability Committee, decisions regarding climate change were taken by the General Manager during the reporting year.</p> <p>The Board of Directors consists of a chairman, a Vice Chairman and twelve members, in total fourteen members.</p> <p>In Anadolu Isuzu Senior Management, the members are Automotive Group President, General Manager, Operational Functions Group</p> |



|  |   |
|--|---|
|  | <p>Director, Commercial Functions Group Director, Financial Affairs Director, Supply Chain Director, R&amp;D Director, Strategy, Product, Projects and Business Development Director, Technical Director, Human Resources Director, Sales Director, and Information Technologies Director, which completes to twelve managers in total. Senior Management reports to the board of directors on all climate-related matters.</p> <p>The responsibilities of the Sustainability Committee and the Senior Management on sustainability and climate change are as follows:</p> <ul style="list-style-type: none"> <li>- To determine the environmental sustainability strategy, short, medium and long-term goals and policies</li> <li>- To provide financing for projects aimed at reducing carbon emissions in business processes within the scope of combating climate change.</li> <li>- In the Early Detection of Risk Committee; To examine and manage the risks and opportunities that arise in the corporate company structure, operational processes, and products due to climate change.</li> </ul> <p>Climate related decision examples that the Committee approved are:</p> <p>Anadolu Isuzu became a party to the target of 30% zero emission vehicle sales by 2030 and 100% zero emission new truck and bus sales by 2040 with the Drive to Zero Initiative.</p> <p>In line with the Anadolu Isuzu European Green Deal roadmap, the Strategic Business Plan meeting of the Board of Directors in October 2021 approved the construction of a 5.5 MW Solar Energy Powerplant project, and the project has started.</p> <p>One of Anadolu Isuzu's priorities has been to invest in renewable energy sources in 2021 and to design a project to reduce our scope 2 emissions by a minimum of 70%.</p> |
|--|---|

## C1.1b

### (C1.1b) Provide further details on the board's oversight of climate-related issues.

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated           | Please explain  |
|---|--|---|
| Scheduled – all meetings  | Reviewing and guiding strategy<br>Reviewing and guiding risk management policies | The Board of Directors and Senior Management hold multiple meetings periodically to address issues related to climate change, review policies, determine strategies, and review the risks and opportunities in the process, and the agenda is set according to the current period and conditions. These meetings can be listed as Board of Directors Meeting, |



|  |   |   |
|--|---|---|
|  | <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p> | <p>Executive Board Meeting, Management Review Meeting, Strategic Business Plan Meeting, Product Meeting, Technical Coordination Meetings, Early Detection of Risk Committee, Sustainability Committee, Evaluation of environmental targets.</p> <p>Senior Management carries out the sustainability management. The Board of Directors Committee convenes at least 4 times a year for its regular scheduled meetings. In the meetings, the risks and opportunities related to climate change and other sustainability issues are evaluated in our direct operations and investment activities, and targets are determined. Budgetary adjustments and performance targets are discussed to achieve climate-related goals.</p> <p>With the Drive to Zero Initiative, we became a party to the target of 30% zero emission vehicle sales by 2030 and 100% zero emission new truck and bus sales by 2040.</p> <p>One of our priorities was to invest in renewable energy sources in 2021 and to design a project to reduce our scope 2 emissions by at least 70%. In line with our roadmap for the European Green Deal, the Strategic Business Plan meeting of the Board of Directors in October 2021 approved a 5.5 MW Solar Energy Powerplant project.</p> <p>Green transformation plans are created such as detailed measurement of emissions originating from production activities, reducing emissions, increasing the awareness of the supply chain about climate change, monitoring green purchasing and logistics emissions, energy efficiency in vehicles and alternative fuels.</p> |
|--|---|---|

## C1.1d

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

|       | Board member(s) have competence on climate-related issues |
|-------|---|
| Row 1 | Yes   |

## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**



| Name of the position(s) and/or committee(s) | Responsibility  | Frequency of reporting to the board on climate-related issues |
|---|---|---|
| Chief Executive Officer (CEO)               | Both assessing and managing climate-related risks and opportunities | More frequently than quarterly                                |

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

CEO's responsibilities are:

- To determine the environmental sustainability strategy, short, medium and long-term goals and policies.
- To provide financing for projects aimed at reducing carbon emissions in business processes within the scope of combating climate change.

CEO is included in the Senior Management and Board of Directors of Anadolu Isuzu.

Anadolu Isuzu Board of Directors and Senior Management effectively measure their performance in environmental, social and economic fields in line with sustainability principles; to identify the topics they will focus on in the short, medium and long term; It meets at least four times a year in order to identify areas that will create common value for both the company and all its stakeholders with its future operations. The risks and opportunities related to sustainability and climate change and related stakeholder expectations are evaluated at the early risk detection meeting.

The highest level of responsibility within the scope of sustainability and combating climate change belongs to the Board of Directors. Duties of the Board of Directors are the evaluation of Anadolu Isuzu's financial performance, decision of budget allocation to climate-related issues, determination and review of strategic business plans in which environmental and energy issues are managed in an integrated manner, communication of the relevant committees and taking decisions.

The task of Anadolu Isuzu Senior Management is to determine policy, strategy and investment decisions in line with the company's compliance with sustainability principles, to set company targets on sustainability, environment and energy performances and climate change, to monitor targets monthly, to create incentive mechanisms for the realization of targets, researching for green finance resources, decision making by following national and international developments on research and utilization of resources, sustainability and climate change.



The task of the Risk Committee is to carry out studies for the early detection of risks that may endanger the existence, development and continuation of the Company, the implementation of the necessary measures regarding the identified risks and the management of the risk. It takes strategic decisions and manages risks and opportunities by evaluating corporate risks and opportunities within the scope of sustainability principles and policies. It reviews and approves the corporate risk policies for each risk type and the annual limits for each risk type. It examines and approves the measures to mitigate the effects of the identified risks in the event of their realization.

The task of the Sustainability Committee is to ensure the coordination of the business plans within its strategy, vision and goals in the field of sustainability; to create the Sustainability Policy and its complementary policies; to submit it to the approval of the Board of Directors and to ensure that the approved policies are integrated into all business processes; to prioritize the risks and opportunities arising from climate change and to ensure the management of sustainability; to follow international developments, public regulations and trends regarding sustainability issues; to provide improving advice to the Sustainability Management Committee when necessary; to advise on new business opportunities and social responsibility projects in parallel with the sustainability strategy; to follow national and international legislation standard approaches related to environmental and social risks; and to make suggestions about the areas in which the company will cooperate in order to develop the sustainability network.

Environment and Sustainability Manager supports the transition to a low-carbon economy within the scope of combating climate change and ensures that projects are carried out to reduce carbon emissions in the business processes. It proactively manages risks in environmental, social and governance areas and leads the company's sustainability strategy. It follows the sustainability roadmap and developments in Anadolu Isuzu's sustainability goals, and monitors the performance against the targets.

## C1.3

### (C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

|       | Provide incentives for the management of climate-related issues | Comment   |
|-------|---|---|
| Row 1 | Yes   | Within the scope of the Annual Incentive Remuneration Plan of the Board of Directors, there is a incentive systematic to follow/increase and encourage certain performance targets and business criteria, including top managers. Within the scope of the plan, the performance criteria comply with our business strategies. This supports our SBTi-approved emissions reduction commitment. |



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|  |  | Anadolu Isuzu aims to increase awareness, motivation and participation in the management of climate-related problems with incentive systems such as Performance Management System, Kaizen, Bi-Fikir; and these systems consider matters such as increase in the energy efficiency, including reduction of CO2 emissions among employees, and reduction in the carbon footprint by using digitalization and artificial intelligence in production processes. |
|--|--|---|

## C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

| Entitled to incentive         | Type of incentive | Activity incentivized   | Comment   |
|-------------------------------|-------------------|-------------------------|---|
| Chief Executive Officer (CEO) | Monetary reward   | Energy reduction target | <p>As a result of the assessment of risks and opportunities related to climate; targets and KPIs are determined by the Senior Management members and approved by the General Manager. In this context, Anadolu Isuzu evaluates and rewards all achievements, inventions and suggestions that benefit the company's sustainable production approach, as well as performance-based remuneration and promotion practices of its employees at all levels.</p> <p>The Performance Management System has various environmental targets included in the annual performance review such as increasing energy efficiency, including reducing CO2 emissions among employees, reducing carbon footprint by using digitalization and artificial intelligence in production processes, with incentive systems such as Kaizen and Bi-Fikir. Performance against these personal goals affects the overall performance ratings that determine individual payouts under our incentive plans.</p> |

## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes



## C2.1a

### (C2.1a) How does your organization define short-, medium- and long-term time horizons?

|             | From (years) | To (years) | Comment  |
|-------------|--------------|------------|--|
| Short-term  | 0            | 3          | Within the scope of climate-related risks and opportunities assessment processes at Anadolu Isuzu, the short term has been determined as a 0-3-year time frame.            |
| Medium-term | 3            | 5          | Within the scope of climate-related risks and opportunities assessment processes at Anadolu Isuzu, the medium term has been determined as a 3-5-year time frame.           |
| Long-term   | 5            | 10         | Within the scope of climate-related risks and opportunities assessment processes at Anadolu Isuzu, the long term has been determined as a time frame of more than 5 years. |

## C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

The Risk Management System at Anadolu Isuzu is a multidisciplinary integrated process. The Committee for Early Detection of Risk analyzes the potential and ongoing strategic financial impacts of Climate Change on the company's operations. Corporate Risk Management is a systematic and disciplined process created to determine the business strategies of Anadolu Isuzu, influenced by all employees of the company and covering all company practices. The Corporate Risk Management process determines the inputs of the Early Detection of Risk Committee. The management and continuity of this process, which is integrated with strategic business plans, is supported by the technological infrastructures that are being used. The risks that may occur in order for the company to achieve its goals are analyzed and the risks that should be followed as a priority are determined. All identified risks are prioritized based on risk scores, measures of financial impact, etc. Priority risks and action plans aimed at reducing these risks are submitted to the Board of Directors and a decision is made.

Definition of substantive financial impact: For Anadolu Isuzu, substantive financial impact means any impact that seriously affects the company and creates inability to continue its operations. In the scope of these studies, income loss over 2 million Turkish Liras is accepted as substantive financial impact. Revenue is 2,678,041 thousand Turkish Liras in the reporting year, thus this represents the 0.075% of it. Fluctuation in the revenue by 0.075% accepted as substantive. This small percentage of income, even 0.075% fluctuation, is considered a significant environmental risk. In line with our



strategy, Corporate Risk Management, Sustainability working groups and related business units work collaboratively when identifying and evaluating climate change risks and other ESIA issues. Climate-related risks and opportunities are also evaluated and audited by auditors in the audits of Management Systems (ISO14001&ISO50001&ISO14064-1).

Quantifiable indicators used to define substantive financial impact: Impact score and probability criteria are used as quantifiable indicators when calculating all risks and opportunities. The risk (R) scores are calculated by multiplying the probability (probability of impact) and the impact score (the score indicating the degree of importance of the impact of the activity on the environment). Risk analyses are measured using a 5x5 Risk Analysis Template and are grouped into low, medium, high and very high risk. If the risk score is 15 points or higher, it is considered a high risk. It is necessary to envisage an action plan for all high risks. Opportunities, on the other hand, are determined according to the action term as Insignificant, Possible, Important, Important and Critical Opportunities. Significant risks and opportunities are reported to the Early Detection and Management of Risk Committee. The Committee monitors the company's risks using our risk measurement methods and makes recommendations to the Board of Directors when necessary. Opportunities are evaluated by senior management. New opportunities identified as important opportunities are discussed at strategic business plan meetings and included in investment plans.

Destructive natural events caused by climate change, additional costs such as taxes on carbon emissions, EU Green Deal, short-medium-long-term effects related to EU ETS, EU border carbon tax mechanism, transition strategy to low carbon economy, shift of customer demand to zero emission vehicles and adaptation needs to these changes are closely monitored and examined in the risk management system at Anadolu Isuzu.

## C2.2

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

### **Value chain stage(s) covered**

- Direct operations
- Upstream
- Downstream

### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

### **Frequency of assessment**



More than once a year

### **Time horizon(s) covered**

Short-term

Medium-term

Long-term

### **Description of process**

Anadolu Isuzu proactively identifies the climate-related risks arising within the scope of all its activities and manages them by considering the opportunities arising from these risks. Strategic, operational, financial, environmental risks and opportunities for the realization of short-, medium- and long-term goals are discussed in the Anadolu Isuzu Risk Management System. The Risk Committee, Sustainability Committee and Environmental Management System officers perform the duties of identifying, evaluating and responding to climate-related risks and opportunities and report to the Board of Directors.

IDENTIFY: There is a Senior Management and Early Detection of Risks Committee to carry out its activities in order to make recommendations to the Board of Directors on identifying and evaluating risks and opportunities, estimating their impact on the company level, managing these risks, evaluating them in the decision-making mechanism.

Anadolu Isuzu Senior Management identifies important opportunities and threats that may arise for the company to achieve its goals within the framework of Corporate Risk Management and manages them in accordance with the company's risk appetite. Corporate Risk Management is a systematic and disciplined process created to determine the business strategies of Anadolu Isuzu, influenced by all employees of the company and covering all the company's practices. The Early Detection of Risk Committee reviews the risk management systems at least once a year. Senior Management members are the people who are responsible for business processes at the highest level. The Environmental and Sustainability Manager develops proactive solutions to address risks and opportunities and integrate them into business procedures. In line with our strategy, Corporate Risk Management, Sustainability working groups and related business units work collaboratively when identifying and evaluating climate change risks and other ESG issues.

ASSESS: Climate-related risks and opportunities are also evaluated and audited by auditors in the audits of Management Systems (ISO14001&ISO50001&ISO14064-1). All risks and opportunities are calculated according to the impact score and probability criteria. The risk (R) scores are calculated by multiplying the probability (probability of impact) and the impact score (the score indicating the degree of importance of the impact of the activity on the environment). Risk analyses are measured using a 5x5 Risk Analysis Template and are grouped into low, medium, high and very high risk. If the risk score is 15 points or higher, it is considered a high risk. It is necessary to envisage an action plan for all high risks.



RESPONSE: The financial and environmental impact of high risks is evaluated by the Senior Management at the Management Review Meeting and then reported to the Board of Directors. Opportunities, on the other hand, are determined according to the action term as Insignificant, Possible, Important, Important and Critical Opportunities. Significant risks and opportunities are reported to the Early Detection and Management of Risk Committee. The Committee monitors the company's risks using our risk measurement methods and makes recommendations to the Board of Directors when necessary. Opportunities are evaluated by senior management. New opportunities identified as important opportunities are discussed at strategic business plan meetings and included in investment plans.

Direct operations are important among the climate risks. A risk-action example can be found below:

Risk: Mandates on and regulation of existing products, Decreased revenues due to reduced demand for products and services

Action: Potential financial impacts are being studied according to the Carbon Border Adjustment Mechanism and Emission Trading System (ETS) scenarios. Scope 1&2 emissions, scope 3 emissions and raw material procurement, product logistics, production activities, the use phase of products sold, end-of-life vehicles from all emissions calculates according to the standard 14064 and ISO our calculations has been verified by an independent organization.

There are studies on electric and alternative fuel vehicles within the scope of product development and Research and Development (R&D) activities. This will decrease the emissions that is arising from the use of sold products and give Anadolu Isuzu the resilience against climate related regulations.

Since our sales network and supply chain are very wide, we have an important area of influence in the case of direct and indirect emissions. Considering the product lifecycle approach of Anadolu Isuzu, the greenhouse gas emissions generated during the usage phase of the manufactured vehicles are the emission that contributes the highest to the carbon footprint in the product lifecycle. Accordingly, the production of CNG-powered vehicles as well as electric vehicles was started in 2021 and a zero-emission vehicle strategy was developed. Anadolu Isuzu became a party to the Drive to Zero 2040 initiative to transition to the sale of fully zero-emission commercial vehicles. The R & D Department is working on the development of innovative and long-lasting batteries and long-range charging products that contribute to the zero-emission vehicle strategy.

## C2.2a

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

|  | Relevance & inclusion | Please explain |
|--|-----------------------|----------------|
|--|-----------------------|----------------|

|                     |                           |  |
|---------------------|---------------------------|--|
| Current regulation  | Relevant, always included | <p>Anadolu Isuzu consider current national and international environmental regulations when determining climate change risks. All legal requirements related to environmental protection, legislation follow-up method and all internal units are informed, and actions are followed. If it is related to the legal conditions that have not yet been commissioned but are likely to affect our sector, it is evaluated with the authorized associations and organizations in the automotive sector and an opinion is prepared for the ministry. Among the current legal requirements affecting our climate change risks; We send our greenhouse gas emission report approved by the Decider organization to the ministry every year since 2014, which is the first reporting year within the scope of the Regulation on the Monitoring of Greenhouse Gas Emissions. In 2021, Anadolu Isuzu calculated Scope 1, Scope 2 and Scope 3 Greenhouse Gas Emissions arising from its production activities according to ISO 14064 GHG Standard. The climate change risks arising from the current regulations are in the focus of Anadolu Isuzu. For this purpose, Anadolu Isuzu has signed the "Drive to Zero" initiative in line with its commitment to producing zero-emission vehicles by 2040. An investment of 3,000,000 TL has been completed to create an electric vehicle production infrastructure. The budget allocated for R &amp; D research for environmentally friendly vehicle production is 48,945,124 TL in total.</p> <p>Determination of Turkey's Industrial Emissions Strategy (DIES) Project 1, which was carried out in November 2021 as part of the Integrated Pollution Prevention and Control (ECOK) studies developed to combat Climate Change. The awareness seminar was attended by representatives of the automotive sector. Together with these, the best available techniques for the reduction of Fluorinated Greenhouse Gases, the Industrial Emissions Directive are being evaluated. In order to adapt to the limited discharge limits within the scope of the fight against mucilage that leads to ecosystem destruction in our country, Wastewater Treatment Plant Investment Plans have been created. A budget study of TL 2,219,767 (€ 140 K) has been completed to meet the criteria for water recovery and further treatment.</p> |
| Emerging regulation | Relevant, always included | <p>Anadolu Isuzu considers the developing regulations related to climate change. Turkey ratified the Paris Agreement in October 2021. In this context, it is expected to update and re-submit the emission increase within the framework of the national contribution statement (NDC) submitted to the UN Secretariat in 2015. Turkey aims to become a net zero emission country by 2053. In order to create the long-term strategic action plan infrastructure to achieve the climate goals, the Climate Council is being created. Partnership of Market Readiness (PMR) conducted by the Ministry of Environment, Urbanization and Climate Change, Integrated Pollution Prevention and Control (LCM), the Climate Council, Nations Climate Change Conference, IPCC Reports, the Emissions Trading Scheme, climate change and associated changes in Law and the legal regulations are followed. Scenarios are being studied to examine the effects of the financial burden that SKDM will bring on Anadolu Isuzu.</p>   |



|            |                           |   |
|------------|---------------------------|---|
|            |                           | <p>Scenarios for developing situations are being updated. Among the developments that await the Automotive Sector, the battery directive, the renewable energy directive, the alternative fuel vehicles directive is followed and risk assessments are carried out in line with the targets of Decarbonization in transportation and energy.</p> <p>In line with the regulations developed with the commitment of Europe to become a carbon neutral continent in 2050, only electric vehicles will be sold to Europe after 2030. For heavy duty vehicles, this period starts in 2040. Anadolu Isuzu will face a significant climate risk in 2040 if it cannot meet Europe's demand by switching to electric vehicle production.</p>   |
| Technology | Relevant, always included | <p>Our company monitors its operations related to climate change risks and environmental impacts and invests in environmentally friendly and emission-reducing projects and technologies. Therefore, over the past few years, it has made significant expenditures on environmental improvements to some facilities.</p> <p>Reduction of CO2 emissions of vehicles produced within the scope of Anadolu Isuzu R&amp;D centre studies, electric vehicles, CNG vehicles, alternative fuel and connected vehicles are the priority issues. In 2020, it continued its project within the framework of the international Eureka, and 1 Ufuk2020 project received support from the European Commission.</p> <p>The integration of intelligent systems in production processes is clearly one of the Company's main priorities. The smart factory project provides the management of large production areas with a 3D Digital twin, while the support of the Internet of Things (IoT) reduces the carbon footprint in production processes.</p> <p>Carbon Capture, Utilization and Storage (CCUS) technologies, creation of value chains on the use of Green Hydrogen and ammonia are among the technologies followed.</p> <p>The demand for technological tools is increasing in line with current needs. Delays in the supply of materials caused by the chip crisis that occurred as a result of global climate change and hit the automotive sector posed a risk and extended the delivery times of manufactured vehicles. These risks are analyzed in the supply chain and after-sales operations and alternative solutions are created in order shipment planning.</p> |
| Legal      | Relevant, always included | <p>Legal issues related to the product are supported by the homologation team, and operational legal issues are monitored by the Utility Services and, Environment and Sustainability Manager. The directives on the zero emission vehicles (ZEV) mechanism are the EU's regulatory regulations on CO2 reduction targets and are applied for all production industries. Regulation (EU) 2019/631 for vans and The Regulation (EU) 2019/1242 heavy duty vehicles are setting CO2 emission standards strengthen the competitiveness of automotive industry. As part of the European Green Deal, the sale of internal combustion engine vehicles will be stopped by 2035. by 2030, there is a carbon emission target of 55% below the 2021 level in new vehicles. However, in order to adapt to this goal, it is becoming important to expand the network of high-power charging stations, especially for heavy commercial vehicles.</p>   |

|                |                           |  |
|----------------|---------------------------|--|
|                |                           | <p>Bus and midibus segments, which are among the product lines of Anadolu Isuzu, are also among the heavy commercial vehicles. For the competitiveness of Anadolu Isuzu, it is important to adapt to the transformation. The company will review all its processes and integrate them into its processes within the scope of compliance with the EU product standards and the battery directive, which will be strengthened within the framework of the circular economy of change in the EU Market. Anadolu Isuzu carries out mitigation studies because failure to comply with future CO2 targets may lead to high costs. In accordance with legal regulations and legislation, Anadolu Isuzu calculates and verifies greenhouse gas emissions from its activities every year in accordance with the Regulation on the Monitoring of Greenhouse Gas Emissions. It declares its results to the Ministry of Environment, urbanization, and climate change. In the absence of legal notices, environmental law No. 2872 20. There is a risk of facing an administrative fine of 32.855 TL in accordance with the subparagraph "failure to comply with the obligation to provide notification and information" specified in the article.</p> |
| Market         | Relevant, always included | <p>The development and production of zero emission vehicles, the correct and balanced management of climate risks globally, and the strengthening of Anadolu Isuzu's competitiveness in different geographies and markets are critical issues that the company has determined in line with its goal of increasing its competitiveness. The automotive industry is among the risks that affect climate, switching to electric cars and alternative vehicles, autonomous vehicles, connected vehicles, customers eco-friendly product preferences, intelligent systems, and the integration of all processes, painting, increased energy and raw material costs in the lobby. The identified risks are evaluated by the Risk Committee and the Sustainability Committee and shared with the Senior Management.</p>   |
| Reputation     | Relevant, always included | <p>The increase in greenhouse gas levels, which causes global climate change, affects nature, people, and economic growth. The steps taken by the company to reduce the dramatic increase in emissions and decrease environmental footprint are critical to protect the company's reputation. All risks related to reputation are reviewed and action monitoring is provided. Compliance with legal requirements, work carried out within the scope of combating climate change in green washing, leading investments in the sector are provided for projects that provide environmental benefits. Anadolu Isuzu's environmental data are reported in our sustainability report. In 2021, CNG Kendo vehicle received the Sustainable Bus award. In order to reduce Scope 2 Greenhouse Gas Emissions and to be resistant to increasing energy costs, a decision has been made to invest 5,500 MWp in GES. Investments are being explored for other renewable energy sources.</p>  |
| Acute physical | Relevant, always included | <p>Extreme climatic conditions, floods, droughts, forest fires, depletion of water resources, shortages of raw materials, biodiversity losses, pandemic diseases, which are increasing day by day, pose an acute risk of physical damage. Various action plans are being developed and implemented in the factory for situations that may stop production and create</p>   |



|                  |                           |  |
|------------------|---------------------------|--|
|                  |                           | <p>financial risk. In order to ensure business sustainability, Senior Management makes decisions and implements them. The emergency situations coordinator in the face of emergencies is the HR Director. Emergency plans are prepared by Human Resources, exercises are carried out. Reports are prepared on the situations encountered during the exercise, and the dates of the term for the actions are determined in the reports. Action plans are followed up with Who and When Newspapers (KNZG) and information is provided with the participation of all departments at morning meetings held during working days. The emergency coordinator reports to the general director. Anadolu Isuzu Emergency Teams have been established to respond to emergencies by considering the working system, production sites and management, number of personnel and possible risks in our factory. One of these teams, with the coordination of its leader, conducts refresher training and exercises once a year from the Kocaeli Provincial Disaster and Emergency Directorate and the Kocaeli Metropolitan Fire Department.</p> <p>Finished products and semi-finished products stocked in the external area may be affected by external environmental conditions. Investments are made in accordance with risk opportunity analyses prepared to protect against the negative effects of extreme climatic events. The hail nets used in our finished vehicle park were carried out with an investment of 15.180.000 TL in order to protect vehicles damaged by excessive rainfall and hail encountered in 2017. In this weather event, 748 vehicles that belong to our company were damaged and 2.576.000 TL was lost. In terms of earthquake safety, Earthquake safety performance analysis reports of structural and non-structural elements are followed up. The risk of causing soil, air and receiving environment pollution because of an earthquake in our factory's cataphoresis pools, chemical warehouses, underground and above-ground water tanks and Wastewater Treatment Plant has been evaluated and action plans have been created, thus a 560.000 Euro investment has been planned.</p> |
| Chronic physical | Relevant, always included | <p>The effects of climate change are growing steadily. To analyse the impact on the company's economy, the relevant risks are considered. Since increasing energy costs affect the company's financial risks, the Board of Directors mobilizes all resources to create a sustainable energy infrastructure based on energy efficiency projects and renewable energy sources. In addition, water risks are evaluated in our risk evaluation. In our factory, where well water is used, the efficiency of wells is controlled, and priority is given to water saving and recovery projects.</p>  |

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**



Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

### Identifier

Risk 1

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

### Primary potential financial impact

Decreased revenues due to reduced demand for products and services

### Company-specific description

To maintain competitiveness in Europe and prevent carbon leakage in Europe, regulations have been raised on the implementation of Carbon Border Adjustment Mechanism and the purchase of several fossil fuel-consuming products. Carbon leakage means emissions caused by EU industry with stricter environmental protection regulations when importing products produced in countries without environmental protection sensitivity to the EU. The objective of this regulation is to determine the import price for selected sectors by considering the carbon content of the goods. In these ways, Europe aims to become a carbon neutral continent. Turkey is expected that it will be greatly affected by the European Green Deal. The automotive sector is facing a challenge with FIT FOR 55 "CO2 Standards for Automobile and Commercial Vehicles". It is also affected indirectly from the pilot projects that EU Green Deal have selected. Anadolu Isuzu is among the leading companies that will be subjected to decarbonization due to the sector in which it is located. However, Europe will not buy fossil fuel-consuming vehicles after completing the transitioning period to decarbonize transportation. The inability to sell manufactured vehicles poses a significant risk to Anadolu Isuzu. To prepare for those risks that are pending for establishing the infrastructure of emissions monitoring, tracking, verification, and reporting,



covering greenhouse gas emissions from 2014 onwards in the scope of the regulation on the monitoring of greenhouse gases from certain activities are reported by Anadolu Isuzu. Anadolu Isuzu is taking actions such as energy efficiency, renewable energy investments, increasing production capacity and the sales network of electric or alternative fuel vehicles in line with its transition strategy to a low carbon economy. As mentioned in C2.2a, this is Anadolu Isuzu's emerging regulation risk.

**Time horizon**

Long-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

796,960,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Approach employed to calculate the figure: Europe made the commitment of being a carbon neutral continent in the year 2050 and formed regulations according to this goal. One of these projects is the European Green Deal. Europe is going to stop buying fossil fuel consuming cars. For the heavy-duty vehicles, this deadline is year 2040. Anadolu Isuzu won't be able to sell heavy duty vehicles to Europe if they don't transit into electric vehicles. This will cause a loss in their revenue. For the continuity of export to Europe, Anadolu Isuzu must be able to supply Europe with electric vehicles. Otherwise, this risk will cause a potential financial impact on Anadolu Isuzu. The figures used in the calculation:



This potential financial impact is calculated via the price of fossil fuel vehicles sold to Europe in 2021. This is an approximate calculation with average vehicle price.

Vehicles sold to EU in 2021 X Their average price = potential financial impact figure  
(680x1,172,000=796,960,000)

### Cost of response to risk

48,945,124

### Description of response and explanation of cost calculation

Results of actions against risks: Anadolu Isuzu has already started taking action and producing electric vehicles in the face of climate change. As a result of these actions, throughout the reporting year, production of electric vehicles accelerated. R&D investments for the new generation of low emission vehicles has been studied in the reporting year as a response to this risk. Cost of response to risk is calculated as the total R&D expenditures. These studies include 12-13 m Class2 CNG, Citiport18 CNG, our electric vehicle model Novocitvolt, Autonomous Vehicle, Vehicle mitigation in buses and EV Micro Truck studies.

The process of supplying electric vehicle batteries in the supply chain is a critical of the zero-emission vehicle strategy. Investments that have been made for the supply of Anadolu Isuzu batteries are included in the cost of response to risk. In 2021, the total cost of R&D for the production of environmentally friendly vehicles is 48,945,124 TL (cost of response to risk).

Case study providing a description of the action(s) taken to address the risk w,th timescale:

2020: CNG vehicles were put into mass production.

2021: Electric vehicle production started.

2022: Drive to Net Zero initiative is signed (its preparation was conducted in 2021)

### Comment

Anadolu Isuzu evaluates the risks and opportunities of Carbon trading on official platforms and Ministerial workshops in the automotive sector and other sectors. It considers benchmark applications.

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes



## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

---

### Identifier

Opp1

### Where in the value chain does the opportunity occur?

Direct operations

### Opportunity type

Energy source

### Primary climate-related opportunity driver

Use of lower-emission sources of energy

### Primary potential financial impact

Reduced indirect (operating) costs

### Company-specific description

Anadolu Isuzu, after European Green Deal, knowing that there will be similar regulations in the rest of the world, adapted quickly to low-carbon economy and carbon emission trading system. In the scope of this company adaptation, "Environmental Actions" projects has been launched. The sector that Anadolu Isuzu is operating in is a high emission sector. In this context, green strategies and carbon markets are followed on national and international platforms to take actions and seize opportunities with "Environmental Actions". Anadolu Isuzu has taken a strategic decision to reduce the financial risk of a tightness in production and Energy supply by adapting to the Low Carbon strategy and has decided to invest in renewable energy with a 5,500 MWp GES project. it is aimed to provide 55% of our electricity consumption with GES in 2022. Within the scope of the investment, 12,088 panels with a capacity of 5,500 MWp, an installed capacity of 5119.2kWp / 4300 kWe connection power and a capacity of 455 Wp each will be used for unlicensed electricity generation activities. The power plant, which will be installed on the roofs



of bus and truck buildings, will cover an area of 27,000 m2. The estimated total emission reduction from this project has been calculated as 2,300 tCO<sub>2</sub>e. This investment was approved in 2021 and work has started.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

3,168,613

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Approach: This project will reduce the grid electricity consumption by approximately 55% of Anadolu Isuzu. Therefore, they'll pay less to the grid consumption after this investment. This is creating a saving for the company. This potential financial impact figure for this opportunity is calculated with the amount paid for 2021 grid electricity consumption multiplied by 55%. Figures used in your calculation: Accordingly, the company will save 55% of this payment (5.761.115,23 TRY X 0.55), and the potential financial impact will be 3,168,613 TRY. Assumptions the figure is dependent on: this calculation is conducted with 2021 electricity expenditures hence it is assumed that the expenditure will be similar in the coming years where this opportunity occurs.

**Cost to realize opportunity**



0

### Strategy to realize opportunity and explanation of cost calculation

“Environmental Actions” strategic work plan was formed with the Environmental and Sustainability Manager who works under Utility Services, to project actions that Anadolu Isuzu can take in the scope of European Green Deal. This strategy plan is created in the business-as-usual activities, therefore has no cost to realize opportunity. Positions in charge of this project, as in their job definition, worked and created the solar power plant project on the roof of the factory. This project is approved by the Board in the reporting year.

### Comment

The investment cost of the GES plants is approximately 53,187,630 TL.

## C3. Business Strategy

### C3.1

#### (C3.1) Does your organization’s strategy include a transition plan that aligns with a 1.5°C world?

##### Row 1

#### Transition plan

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

#### Publicly available transition plan

Yes

#### Mechanism by which feedback is collected from shareholders on your transition plan

Our transition plan is voted on at AGMs and we also have an additional feedback mechanism in place

#### Description of feedback mechanism

Anadolu Isuzu has strategic decision-making mechanisms that include climate-related risk and opportunity assessment. The risks and opportunities of transition to a low carbon economy and financial requirements of Isuzu Motors, Itochu Corporation, AG Anadolu Group Holding,



which are Anadolu Isuzu's senior management and shareholders, are evaluated through survey studies. The results of the survey are analysed while prioritizing the strategy plan. Strategic decisions are put to the vote at the ordinary General Assembly Meetings. SBTi has created the roadmap for net zero with the commitment to science-based goals and the Drive to Zero initiative. In addition, Anadolu Isuzu has been publishing sustainability reports and annual reports in accordance with GRI standards publicly since 2018.

### Frequency of feedback collection

More frequently than annually

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

## C3.2

### (C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

|       | Use of climate-related scenario analysis to inform strategy |
|-------|---|
| Row 1 | Yes, qualitative and quantitative                           |

## C3.2a

### (C3.2a) Provide details of your organization's use of climate-related scenario analysis.

| Climate-related scenario        | Scenario analysis coverage | Temperature alignment of scenario | Parameters, assumptions, analytical choices   |
|---------------------------------|----------------------------|-----------------------------------|---|
| Transition scenarios<br>IEA SDS | Company-wide               |                                   | Assumptions of the selected scenario: all energy-related SDGs and all current net-zero pledges are achieved, with advanced economies reaching net zero emissions by 2050, China by 2060 and all others by 2070 at the latest. It has a 50% probability of limiting global temperature rise to 1.65°C, assuming no extensive net negative emissions. With some net negative emissions after 2070, temperature rise could be reduced to 1.5°C by 2100.<br>Parameters: Anadolu Isuzu considers the developing regulations related to climate change in its |



|                                    |              |  |
|------------------------------------|--------------|--|
|                                    |              | <p>strategic planning processes. After Turkey ratified the Paris Agreement in October 2021, it is expected to update and re-submit its national contribution statement (NDC) to the UN Secretariat in 2015. In order to limit the global temperature, increase to 1.5 degrees, it is aimed to determine the national policies of Turkey that bring emissions closer to net zero by 2053. Since there is a need for updating the NDC of Turkey, the IPCC's 6th Evaluation WGI-Physical Science Foundation report Anadolu Isuzu used the 1.5°C scenario for qualitative analysis.</p> <p>In accordance with the scenario analysis and the EU Green Deal, zero emissions are targeted for commercial vehicles, that are segment which are produced until 2040.</p> <p>Analitic Choices: Efforts to develop and produce alternative fuel vehicles are being increased by R&amp;D studies. Anadolu Isuzu's business strategy is to increase the proportion of electric vehicles in their total sales, to highlight their corporate identity in commercial vehicles and to take pioneering steps in the sector. As for the company, Anadolu Isuzu's goal is to become carbon neutral by 2050. Anadolu Isuzu aims to invest an additional \$3,307,558.00 (TL 50 M) in renewable energy and other energy projects in October 2022 as part of its carbon neutral roadmap.</p> <p>Anadolu Isuzu, which has an export-oriented sales strategy, evaluates the potential carbon prices, regulatory and other costs, Carbon Border Adjustment risks that it will be directly and indirectly affected by, and conducts its financial analyses. In addition, fluctuations in energy prices and bottlenecks are considered a high risk for financial impacts. To manage these risks, Anadolu Isuzu plans to reduce Scope 1 &amp; 2 emissions by 4.2% every year and Scope 3 emissions caused by the use of sold products by 2.5% every year compared to the base year of 2019 in line with science-based targets. Anadolu Isuzu has been committed to the Science Based Targets Initiative.</p> |
| Physical climate scenarios RCP 6.0 | Company-wide | <p>Assumptions: IPCC's intermediate stabilization pathways in which radiative forcing is stabilized at approximately 6.0 W/m<sup>2</sup> after 2100.</p> <p>Physical risk factors, risk scenarios have been evaluated by considering natural disasters such as water stress, floods, extreme temperatures, sudden hail rains that may be encountered as of the current location.</p> <p>Due to these risks, Anadolu Isuzu may potentially experience revenue and market losses due to access to natural resources, logistical problems and supply chain disruptions. In addition, there may be a potential need for CAPEX in the event of damage to production facilities or a supplier/customer site.</p>   |



|  |  |  |  |
|--|--|--|--|
|  |  |  | <p>Anadolu Isuzu's strategies for managing physical risks and turning them into opportunities can be stated as follows.</p> <p>Parameters: Greenhouse gas concentration, water stress level, temperature fluctuations are used as parameters when studying this scenario.</p> <p>Analitic choices: In order to manage the risk of interruption of supplier/customer activities, alternative supplier searches are underway. Rental warehouse flexibility can be provided due to the risk of damage to factory stocking areas. As a result of the chip crisis caused by the pandemic and water shortages, studies are being conducted on alternative production methods. According to the results of the physical risk assessment, water scarcity stands out for Anadolu Isuzu. In order to minimize this risk, the company aims to reduce water consumption in its production activities and to recover the water at the outlet of the wastewater treatment plant.</p> |
|--|--|--|--|

## C3.2b

**(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.**

### Row 1

#### Focal questions

1. What are the climate-risks that the automotive sector will face in short-term period?
2. What are the climate-opportunities that Anadolu Isuzu can utilize?

#### Results of the climate-related scenario analysis with respect to the focal questions

At Anadolu Isuzu, Committee For Early Detection of Risks studies its risks and opportunities in short term (0-3 years), medium term (3-5 years), and long term (5 or more years) with scenario analysis. Scenario analyses creates opportunities to prepare what will come with the climate crisis. There are focal questions that Anadolu Isuzu focuses on while working on climate related issues. 1st Q: What are the climate-risks that the automotive sector will face in short-term period? This question gives Anadolu Isuzu the insights of climate related risks, before taking any action against them. For example, in long term, Europe is going to only buy electric vehicles. Knowing this, Anadolu Isuzu will have to adapt its production patterns to supply for Europe's demand. Otherwise, they will face loss in their revenues. 2nd Q: What are the climate-opportunities



that Anadolu Isuzu can utilize? With this question, Anadolu Isuzu would like to see what they can benefit. Climate crisis is also linked to energy sector. Fossil fuel consumption is enhancing the pace of change. Anadolu Isuzu realized that in their location, they can benefit from Solar Power Plants. Therefore, the Board approved solar power plant investment to start transitioning to a renewable energy source. As a result of this focal question, carbon footprint of Anadolu Isuzu Scope 2 emissions will decrease.

### C3.3

#### (C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

|                                 | Have climate-related risks and opportunities influenced your strategy in this area? | Description of influence   |
|---------------------------------|---|--|
| Products and services           | Yes   | When the environmental impact of a vehicle is evaluated throughout its life cycle, the greatest impact in terms of climate change impacts is generated during the usage phase of the vehicles. The rate of carbon emissions from direct combustion in vehicles is about 70% of the total value. When the production of fuel is included in the vehicle usage phase, it sums to as much as 80% of the total carbon emissions. This result shows us that one of the issues that the industry should focus on the most about climate change is product standards. This reality is one of the reasons why Anadolu Isuzu has been turning to electric vehicle production in recent years. Anadolu Isuzu aims to reduce its Scope 3 emissions by 2.5% every year compared to the base year of 2019 in line with its science-based targets. On COP26 transport day, 15 countries, including Turkey, have agreed to work together to sell new trucks and buses with 100% zero emissions by 2040. The new Global Memorandum of Understanding (MOU) for Zero-Emission Medium and Heavy-Duty Vehicles (ZE-MHDVS) has set an interim target for new vehicle sales of 30% zero emissions by 2030. In this direction, Anadolu Isuzu has become a party to the Drive to Zero initiative to switch to the sale of fully zero-emission commercial vehicles in 2040. Anadolu Isuzu has launched its fully electric bus model, the NovocitiVolt vehicle, for the first time in 2021 with R&D studies and it is an important milestone in Anadolu Isuzu's carbon strategy. |
| Supply chain and/or value chain | Yes   | Within the scope of sustainable business management Anadolu Isuzu audits and classifies its suppliers at certain periods when selecting suppliers. Anadolu Isuzu check whether their suppliers meet the environmental compliance and legal requirements within the scope of the ISO 14001 Environmental  |

|                   |     |   |
|-------------------|-----|---|
|                   |     | <p>Management System standard. According to the Isuzu IMM system, they systematically carry out SQA A (System) and SQA B (Process) audits every year in accordance with Supplier Audit Studies. Anadolu Isuzu aim to implement green logistics and green purchasing principles to reduce the Scope 3 emissions within the scope of Anadolu Isuzu's low carbon strategy and compliance with the European Green Deal.</p>   |
| Investment in R&D | Yes | <p>Anadolu Isuzu aims to contribute to the fight against climate change from the perspective of integrating innovation into business processes based on global trends by ensuring environmental sustainability. As a global heavy duty vehicle manufacturer, the transformation of Anadolu Isuzu's vehicle portfolio to zero emission vehicles also constitutes an important part of their R&amp;D and product strategy.</p> <p>Anadolu Isuzu is working to provide innovative and environmentally friendly products and services with its R&amp;D staff of 125 people who have high technology capabilities in R&amp;D and innovation competencies. Anadolu Isuzu is working to reduce the environmental impact of its products through its R &amp; D studies. In this context, in 2021 48.945.124 TL resources have been allocated for R&amp;D studies. According to the results of the performance index conducted to evaluate the Decencies of R &amp; D and design centres at the summit organized by the Ministry of Industry and Technology in 2021, Anadolu Isuzu was awarded the award in the category "76-250 R &amp; D Personnel Employment".</p> <p>Anadolu Isuzu has received an award in the Design Turkey Industrial Design Awards Competition with the Kendo / Interliner CNG model, which is the pioneer of its segment with environmentally friendly CNG technology. thanks to the CNG engine compatible with 100% biogas, it significantly reduces emission emissions.</p> <p>Anadolu Isuzu launched its 100% electric bus model in 2021. It aims to increase the zero-emission vehicle production and sales targets in the heavy commercial vehicle segment production market while at the same time providing a continuous improvement in the performance of these products. Between Anadolu Isuzu's R &amp; D work and related tools fuel vehicles consume less fuel, mitigated, the rate of increased use of biodegradable materials, software innovations, the development of intelligent autonomous vehicle systems with applications excels in stand out.</p> |
| Operations        | Yes | <p>Anadolu Isuzu follows its performance indicators to effectively manage its environmental impacts arising from its operational processes. Anadolu Isuzu set performance targets in accordance with national and international standards in all their activities for effective environmental and energy management. In</p>   |



|  |  |  |
|--|--|--|
|  |  | <p>order to achieve the goals, Anadolu Isuzu apply the best available techniques in their production processes.</p> <p>In line with the science-based targets, the company aims to reduce Scope 1 &amp; 2 emissions by at least 55% by 2030 compared to the base year of 2019. In this direction, Anadolu Isuzu aim to reduce energy consumption by 20% in 2022 in the short term with their energy efficiency projects to reduce energy consumption. With the renewable energy investment, the Solar Power Plant project with an installed capacity of 5,500 MWp will be implemented in 2022. In the following years, investments in renewable energy will be continued. However, many energy efficiency, water efficiency and waste reduction projects are carried out in the production processes and are included in sustainability reports in accordance with sustainable development goals. Anadolu Isuzu has been certified as an ISO 14001:2015 Environmental Management System since 2005. ISO 50001 Energy Management System certification studies have been started as of 2021 and it is aimed to obtain the certificate in 2022. The company supports the management of these processes with ISO audits, IM audits carried out by Japanese partners, ministry and legal institution audits, as well as internal cross-checks and patrols. In addition, in order to manage their indirect environmental impacts, Anadolu Isuzu require their suppliers to have ISO 14001: 2015 Environmental Management System certificate by checking that they meet the legal requirements as a prerequisite for working together.</p> <p>in 2021, 10 energy efficiency projects were implemented, and a total of 2,460,445kWh of energy was saved by switching automation systems in paint shops, optimizing production planning, replacing fixtures with LED fixtures among energy efficiency projects. In 2022, energy efficiency will be contributed by phosphate heating system overhaul, energy monitoring system renovation, boiler scada projects together with the 5500 MWp GES project.</p> |
|--|--|--|

### C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

| Financial planning elements that have been influenced | Description of influence |
|---|--------------------------|
|   |                          |



|          |  |   |
|----------|--|---|
| Row<br>1 | Revenues<br>Direct costs<br>Indirect costs<br>Capital expenditures<br>Capital allocation | <p>It has been evaluated by the risk committee that the operating costs related to climate change affect Anadolu Isuzu's financial planning. Climate-related risks and opportunities are integrated into Anadolu Isuzu's financial planning processes. The Board of Directors make investment decisions by evaluating these risks and opportunities. Anadolu Isuzu aim to increase the ratio of the turnover provided by the production of electric vehicles in the total revenue with the actions taken in the transition of the transport market to low-carbon vehicles with the EU Green Deal action plans, especially for the European Market. 3 % of Anadolu Isuzu revenue in 2021 is obtained from the sale of low-emission vehicles (CNGKendo+novocitivolt). The transition to zero-emission vehicles in the automotive sector is important for reducing vehicle emissions through compliance with stricter regulations, taking advantage of climate-related opportunities and maintaining competitiveness in the market. Anadolu Isuzu are investing in many studies on low fuel consumption with mitigation in vehicles, alternative fuel vehicles, electric vehicles, hybrid vehicles and autonomous vehicles. In this context, Anadolu Isuzu continue to develop all the product portfolio they offer in their sales network with a low carbon economy strategy. At the same time, Anadolu Isuzu contribute to emission reduction with the improvements they have implemented in production operations, supply chain and logistics activities.</p> <p>Anadolu Isuzu increased its export volume in 2021, despite shrinking export markets &amp; reached the highest market share among Turkish exporters in its export history (17.2% of overall bus &amp; midibus exports from Turkey). Total production rate is increased %40.4 and the export market share is increased 42%. Alternative fuel &amp; EV vehicles expected to reach more than 50% of total export turnover of the company, starting with 2025. Anadolu Isuzu strives to seize financial opportunities by carrying out energy efficiency, water efficiency and waste reduction projects every year to ensure environmental sustainability and combat climate change. 520.881TL of financial savings were achieved through 10 energy efficiency projects carried out in 2021. Anadolu Isuzu, have determined their roadmap in accordance with the European Green Deal within the scope of combating climate change. Anadolu Isuzu continue their work with the aim of reducing scope 1 and Scope 2 emissions according to the base year 2019 at least %50-55% by 2030 and aim making a carbon neutral factory by 2050. The strategies in line with this can be listed as; Research and development related to the low carbon economy, replacing fossil fuel energy with renewable energy sources, promoting a cyclical economy by reducing operational waste, improving facilities by enabling technological transformation and reducing water use.</p> |
|----------|--|---|



## C3.5

**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?**

Yes

## C3.5a

**(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.**

---

### Financial Metric

CAPEX

**Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)**

28

**Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)**

42

**Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)**

63

**Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world**

Increasing the share of investments contributing to the transition to a low carbon economy in the economy is an inevitable necessity. In this process, our company deals with the possible effects of the global change in our sector on our activities and outputs in the short, medium and long term, and directs proactive planning and investment activities for the future.

Anadolu Isuzu persuades its investments with the aim of reducing operational costs and increasing efficiency in all inputs, especially in energy.

Anadolu Isuzu prioritizes the climate crisis in all axes and plans the necessary R&D investments. The amount of Capex is determined by the decision of the senior management based on the profitability rate of the company. This ratio constitutes approximately 5% of total company



turnover. 28% of the capex expenditures is related to the transition to a 1.5 degree Celsius world. Production line and equipment investments, renewable energy investments for the energy needs used in production activities, electric vehicles in the company's product portfolio, autonomous vehicles developed with digital technologies, alternative fuel vehicles' design, R&D activities, and investments in energy efficiency projects are evaluated within this scope.

## C4. Targets and performance

### C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

### C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

---

**Target reference number**

Abs 1

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2



**Scope 2 accounting method**

Location-based

**Scope 3 category(ies)****Base year**

2021

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

4,399.28

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

3,451.87

**Base year Scope 3 emissions covered by target (metric tons CO2e)****Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

7,851.15

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)****Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2031

**Targeted reduction from base year (%)**

46.2

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

4,223.9187

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

4,399.28

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

3,451.87

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)****Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

7,851.15

**% of target achieved relative to base year [auto-calculated]**

0

**Target status in reporting year**

New

**Is this a science-based target?**

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

**Target ambition**

1.5°C aligned



**Please explain target coverage and identify any exclusions**

Anadolu Isuzu is monitoring their GHG emissions. In 2021, we set a target to decrease our company-wide scope 1 and 2 emissions by 46.2% by 2031 from a base year of 2021. This target is in-line with 1.5 Degrees world as stated in Paris Agreement and SBTi Criteria, as it corresponds to 4.2% annual linear reduction. In 2021, we have taken action to establish a Climate Action Plan. In line with that and the climate science of Science-Based Targets criteria that have been published in 2021, we have reviewed and set our new absolute emission target for scopes 1 & 2. The targets were determined in accordance with the mathematical rules specified in the SBTi transportation sector book. Therefore, the determined targets are science based target. Anadolu Isuzu submitted a letter establishing their intent to set a science-based target. Anadolu Isuzu have 24 months to submit their targets to the SBTi.

**Plan for achieving target, and progress made to the end of the reporting year**

In 2021, Anadolu Isuzu's total emissions from Scope-1 and Scope-2 were 7,851.15 tons of CO<sub>2</sub>e. Within the scope of emission reduction targets, it is aimed to reduce Scope-1 and Scope-2 emissions by 4.2% by 2031 compared to the base year of 2021. As a start to the reduction of GHG emissions of scope 2, solar energy panels will installed. Anadolu Isuzu plan to reduce our scope 2 emissions by increasing the use of renewable energy.

**List the emissions reduction initiatives which contributed most to achieving this target**

---

**Target reference number**

Abs 2

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s)**

Scope 3

**Scope 2 accounting method****Scope 3 category(ies)**

Category 11: Use of sold products

**Base year**

2021

**Base year Scope 1 emissions covered by target (metric tons CO2e)****Base year Scope 2 emissions covered by target (metric tons CO2e)****Base year Scope 3 emissions covered by target (metric tons CO2e)**

2,529,719.36

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

2,529,719.36

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1****Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2****Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

100

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2031

**Targeted reduction from base year (%)**

27.5

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

1,834,046.536

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)****Scope 2 emissions in reporting year covered by target (metric tons CO2e)****Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

2,529,719.36

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

2,529,719.36

**% of target achieved relative to base year [auto-calculated]**

0

**Target status in reporting year**

New

**Is this a science-based target?**

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

**Target ambition**

Well-below 2°C aligned



### **Please explain target coverage and identify any exclusions**

Anadolu Isuzu is monitoring their GHG emissions. In 2021, we set a target to decrease our company-wide scope 3 emissions by 27.5% by 2031 from a base year of 2021. This target is company-wide and is covered by 91.09% of Scope 3 emissions. Our target was set on category 11: use of sold products emissions at Scope 3. This target is in-line with Well-below 2°C Degrees world as stated in Paris Agreement and SBTi Criteria, as it corresponds to 2.5% annual linear reduction. In 2021, we have taken action to establish a Climate Action Plan. In line with that and the climate science of Science-Based Targets criteria that have been published in 2021, we have reviewed and set our new absolute emission target for scopes 3. The targets were determined in accordance with the mathematical rules specified in the SBTi transportation sector book. Therefore, the determined targets are science based target. Anadolu Isuzu submitted a letter establishing their intent to set a science-based target. Anadolu Isuzu have 24 months to submit their targets to the SBTi.

### **Plan for achieving target, and progress made to the end of the reporting year**

In 2021, Anadolu Isuzu's total emissions from Scope 3 was 2,529,719.36 tons of CO<sub>2</sub>e. Within the scope of emission reduction targets, it is aimed to reduce Scope-3 emissions by 2.5% by 2031 compared to the base year of 2021. As a start to the reduction of GHG emissions of scope 3, Anadolu Isuzu production of CNG-powered vehicles as well as electric vehicles was started in 2021 and a zero-emission vehicle strategy was developed. Anadolu Isuzu became a party to the Drive to Zero 2040 initiative to transition to the sale of fully zero-emission commercial vehicles. The R & D Department is working on the development of innovative and long-lasting batteries and long-range charging products that contribute to the zero-emission vehicle strategy.

### **List the emissions reduction initiatives which contributed most to achieving this target**

## **C4.2**

### **(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Net-zero target(s)

Other climate-related target(s)

## **C4.2b**

### **(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.**

**Target reference number**

Oth 1

**Year target was set**

2019

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: category & Metric (target numerator if reporting an intensity target)**

Waste management

Percentage of total waste generated that is recycled

**Target denominator (intensity targets only)****Base year**

2019

**Figure or percentage in base year**

26.37

**Target year**

2029

**Figure or percentage in target year**

10

**Figure or percentage in reporting year**

12.75

**% of target achieved relative to base year [auto-calculated]**

83.2009773977

**Target status in reporting year**

New

**Is this target part of an emissions target?**

No

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain target coverage and identify any exclusions**

Anadolu Isuzu ensures maximum recovery by separating the wastes generated in office areas and production lines at the source within the scope of Environmental Management System; non-recyclable waste generation is minimized. Non-recyclable wastes are delivered to licensed companies with legal permits within the framework of laws and regulations and participate in the recycling cycle. Within the framework of the Zero Waste Regulation, studies on the Zero Waste Management system, which will ensure the effective management of raw materials and natural resources and the protection of sustainable environment and human health, continue. In landfills, it is important to prevent methane emissions, especially for greenhouse gas reduction. Waste reduction projects are implemented within Anadolu Isuzu. This practice positively affects the efforts to reduce the amount of waste per vehicle.

**Plan for achieving target, and progress made to the end of the reporting year**

Anadolu Isuzu implements a department-based waste inventory management system in order to incorporate the different departments at its plants into the waste reduction efforts. The roll out of waste reduction projects within the organization continued to have a positive impact on the efforts to reduce the amount of waste per vehicle. Anadolu Isuzu realized a 38% improvement in specific waste consumption per vehicle when compared to the figures for the last year.

**List the actions which contributed most to achieving this target**





## C4.2c

### (C4.2c) Provide details of your net-zero target(s).

---

**Target reference number**

NZ1

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Abs1

Abs2

**Target year for achieving net zero**

2050

**Is this a science-based target?**

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 2 years

**Please explain target coverage and identify any exclusions**

This target is company-wide and is covered by 91.09% of Scope 3 emissions. Our target was set on category 11: use of sold products emissions at Scope 3.

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**



Anadolu Isuzu's goal is to become carbon neutral by 2050. Anadolu Isuzu aims to invest an additional \$3,307,558.00 (TRY 50 M) in renewable energy and other energy projects in October 2022 as part of its carbon neutral roadmap. Anadolu Isuzu plans to reduce Scope 1 & 2 emissions by 4.2% every year and Scope 3 emissions caused by the use of sold products by 2.5% every year compared to the base year of 2021 in line with science-based targets. Anadolu Isuzu has been committed to the Science Based Targets Initiative.

#### Planned actions to mitigate emissions beyond your value chain (optional)

N/A

### C4.3

**(C4.3) 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.**

Yes

### C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

|                           | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---------------------------|-----------------------|--|
| Under investigation       | 0                     | 0  |
| To be implemented*        | 0                     | 0  |
| Implementation commenced* | 0                     | 0  |
| Implemented*              | 1                     | 491.63   |
| Not to be implemented     | 0                     | 0  |

### C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

Energy efficiency in production processes  
Process optimization

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

491.63

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

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

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

240,834

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

102,000

**Payback period**

<1 year

**Estimated lifetime of the initiative**

1-2 years

**Comment**

The efficiency studies carried out are as follows. Savings were achieved by turning off the fans when there was no vehicle in the truck's main paint booth. 18 air leaks were removed throughout the factory. 10% savings were achieved by changing the engine connection type from triangle to star in the vehicle sprinkler test. Apparatus automation system was commissioned.

## C4.3c

### (C4.3c) What methods do you use to drive investment in emissions reduction activities?

| Method                                 | Comment   |
|--|---|
| Dedicated budget for energy efficiency | The efficiency studies carried out are as follows. Savings were achieved by turning off the fans when there was no vehicle in the truck's main paint booth. 18 air leaks were removed throughout the factory. 10% savings were achieved by changing the engine connection type from triangle to star in the vehicle sprinkler test. Apparatus automation system was commissioned. |

## C4.5

### (C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

### C4.5a

#### (C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

##### Level of aggregation

Product or service

##### Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

##### Type of product(s) or service(s)

Road

Lithium-ion batteries

##### Description of product(s) or service(s)

Anadolu Isuzu manufactures electric passenger vehicles with lithium-ion batteries.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**

Yes

**Methodology used to calculate avoided emissions**

Other, please specify

Internal

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

Use stage

**Functional unit used**tCO<sub>2</sub>e per heavy duty vehicle lifetime**Reference product/service or baseline scenario used**tCO<sub>2</sub>e per ICE heavy duty vehicle lifetime**Life cycle stage(s) covered for the reference product/service or baseline scenario**

Use stage

**Estimated avoided emissions (metric tons CO<sub>2</sub>e per functional unit) compared to reference product/service or baseline scenario**

506.27

**Explain your calculation of avoided emissions, including any assumptions**

Our calculation of avoided emissions is based on the difference in emissions during vehicle use. We calculated the emissions caused by our electric vehicles during their lifetime and the emissions of our diesel-consuming vehicles during use. Then we calculated the difference as the emissions prevented by our electric vehicles. Therefore, we took an attribution approach to estimation. Emission factors are obtained from DEFRA, 2021 emissions factors database.

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**

0.52



## C5. Emissions methodology

### C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

Yes

### C5.2

(C5.2) Provide your base year and base year emissions.

#### Scope 1

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

4,203.34

**Comment**

N/A

#### Scope 2 (location-based)

---

**Base year start**

January 1, 2019

**Base year end**



December 31, 2019

**Base year emissions (metric tons CO2e)**

3,510.02

**Comment**

N/A

**Scope 2 (market-based)**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**Scope 3 category 1: Purchased goods and services**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

200,662.63

**Comment**

N/A

**Scope 3 category 2: Capital goods**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

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

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

1,687.29

**Comment**

N/A

**Scope 3 category 4: Upstream transportation and distribution**

---



**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

17.14

**Comment**

N/A

**Scope 3 category 5: Waste generated in operations**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

45.76

**Comment**

N/A

**Scope 3 category 6: Business travel**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

635.7

**Comment**

N/A

**Scope 3 category 7: Employee commuting**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

357.18

**Comment**

N/A

**Scope 3 category 8: Upstream leased assets**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**Scope 3 category 9: Downstream transportation and distribution**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

1,989.39

**Comment**

N/A

**Scope 3 category 10: Processing of sold products**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**Scope 3 category 11: Use of sold products**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

1,855,435.68

**Comment**

N/A

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

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

1,294.54

**Comment**

N/A

**Scope 3 category 13: Downstream leased assets**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**Scope 3 category 14: Franchises**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**Scope 3 category 15: Investments**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**Scope 3: Other (upstream)**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**Scope 3: Other (downstream)**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

N/A

**C5.3****(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

ISO 14064-1

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



## C6. Emissions data

### C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?

#### Reporting year

---

**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)**

4,399.28

**Start date**

January 1, 2021

**End date**

December 31, 2021

**Comment**

N/A

#### Past year 1

---

**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)**

4,359.74

**Start date**

January 1, 2020

**End date**

December 31, 2020

**Comment**



N/A

**Past year 2****Gross global Scope 1 emissions (metric tons CO2e)**

4,203.34

**Start date**

January 1, 2019

**End date**

December 31, 2019

**Comment**

N/A

**C6.2****(C6.2) Describe your organization's approach to reporting Scope 2 emissions.****Row 1****Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

**Comment**

N/A





## C6.3

### (C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

#### Reporting year

---

**Start date**

January 1, 2021

**End date**

December 31, 2021

**Comment**

N/A

#### Past year 1

---

**Start date**

January 1, 2020

**End date**

December 31, 2020

**Comment**

N/A

#### Past year 2

---

**Start date**

January 1, 2019

**End date**

December 31, 2019

**Comment**

N/A

**C6.4**

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

**C6.5**

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services****Evaluation status**

Relevant, calculated

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

242,991.76

**Emissions calculation methodology**

Other, please specify

Packing materials amounts per packing materials type have been collected from packing materials management data sheets. Packing materials amounts have been calculated in ISO 14046-1 for Anadolu Isuzu. Emission factors are obtained from DEFRA, 2021

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

Purchased good and services are material for Anadolu Isuzu. In 2021 reporting year, Scope 3 emissions are calculated according to GHG Protocol. Infrastructure arrangements are being made to calculate the important emission sources in this category. This category is planned to



be included in the carbon footprint calculations more extensively in the coming years. This category represents the cradle to gate emissions of packing use in this reporting year.

### Capital goods

---

#### Evaluation status

Not relevant, explanation provided

#### Please explain

Infrastructure adjustments are being made to calculate this category. This category is planned to be included in the carbon footprint calculations in the coming years.

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

---

#### Evaluation status

Relevant, calculated

#### Emissions in reporting year (metric tons CO<sub>2</sub>e)

2,043.22

#### Emissions calculation methodology

Other, please specify

Fuel and electricity consumption data that is used in the Scope 1 and Scope 2 is used to calculate this category. Emission factors are obtained from DEFRA, 2021 emissions factors database. Calculation methodology is based on the GHG Protocol.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### 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

### Upstream transportation and distribution

---

#### Evaluation status

Relevant, calculated

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

20.75

#### Emissions calculation methodology

Other, please specify

For this category, specific transported weight data and specific transported distance data have been obtained from per transportation supplier of Anadolu Isuzu. Emission factors are obtained from DEFRA, 2021 emissions factors database.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### Please explain

This data was provided from our transportation suppliers that carry out transportation activities to Anadolu Isuzu.

### Waste generated in operations

---

#### Evaluation status

Relevant, calculated

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

55.41

#### Emissions calculation methodology

Other, please specify



Solid waste amounts per waste type have been collected from waste management data sheets which are also submitted to the ministry.  
Wastewater amounts have been calculated in ISO 14046-1. Emission factors are obtained from DEFRA, 2021

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

This data is the sum of hazardous & scrap wastes which are provided by Anadolu Isuzu reported to the Ministry in the reporting year. This category includes solid waste management according to specific disposal method, and wastewater treatment operations.

**Business travel**

---

**Evaluation status**

Relevant, calculated

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

242,991.76

**Emissions calculation methodology**

Other, please specify

Flight distance data was multiplied with the air travel emissions factors. Hotel stay data was multiplied with the hotel stay emissions factors.  
Emission factors are obtained from DEFRA, 2021 emissions factors database.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

Port to port flight data and flight distance were collected from Anadolu Isuzu's travel agency. Hotel stay amounts have been collected from hotel stay data sheets.

**Employee commuting**

---

**Evaluation status**



Relevant, calculated

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

498.1

**Emissions calculation methodology**

Other, please specify

Employee commuting data was multiplied with the land travel emissions factors. Emission factors are obtained from DEFRA, 2021 Business Travel Land, average local bus option. emissions factors database.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

This data covers the emissions generated from the transportation (roadway) of employees by daily shuttle busses.

**Upstream leased assets**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

There is no leased assets of Anadolu Isuzu in the upstream activities.

**Downstream transportation and distribution**

---

**Evaluation status**

Relevant, calculated

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

2,409.04

**Emissions calculation methodology**



Other, please specify

This category covered in Upstream transportation and distribution emissions. Emission factors are obtained from DEFRA, 2021 emissions factors database.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

This data was provided from our transportation suppliers that carry out transportation activities to Anadolu Isuzu.

**Processing of sold products**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Anadolu Isuzu products are not processed any further after they have been sold. Consequently, the scope 3 category “Processing of sold Products” is not relevant for Anadolu Isuzu.

**Use of sold products**

---

**Evaluation status**

Relevant, calculated

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

2,529,719.36

**Emissions calculation methodology**

Other, please specify

CO2 emissions per km and annual mileage information are calculated for all vehicles data. A product lifetime on the basis of km are assumed for all vehicles. CO2 emissions of all vehicles are calculated using approximate factors from DEFRA 2021.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**



0

**Please explain**

It is assumed that, a product lifetime on the basis of km are assumed for all vehicles. The total CO2 emissions of the reporting year covering diesel, CNG and electric vehicles were calculated.

**End of life treatment of sold products****Evaluation status**

Relevant, calculated

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

1,665.26

**Emissions calculation methodology**

Other, please specify

2021 total vehicle production amount are multiplied by the emission factor of end-of-life treatment. The end-of-life CO2 e emissions factor is calculated in Simapro v9.2, with Ecoinvent v3.7.1 database.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

The emissions factor dataset is given in Ecoinvent v3.7.1, as a used vehicle disposal scenario data.

**Downstream leased assets****Evaluation status**

Not relevant, explanation provided

**Please explain**

There is no downstream leased assets of Anadolu Isuzu in the upstream activities.





## Franchises

---

### Evaluation status

Not relevant, explanation provided

### Please explain

There is no franchises of Anadolu Isuzu in the upstream activities.

## Investments

---

### Evaluation status

Not relevant, explanation provided

### Please explain

There is no investmets of Anadolu Isuzu in the upstream activities.

## Other (upstream)

---

### Evaluation status

Not relevant, explanation provided

### Please explain

No other upstream emissions apart from above categories.

## Other (downstream)

---

### Evaluation status

Not relevant, explanation provided

### Please explain

No other downstream emissions apart from above categories.



## C6.5a

**(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.**

### Past year 1

---

**Start date**

January 1, 2020

**End date**

December 31, 2020

**Scope 3: Purchased goods and services (metric tons CO2e)**

143,155.36

**Scope 3: Capital goods (metric tons CO2e)**

0

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

1,203.73

**Scope 3: Upstream transportation and distribution (metric tons CO2e)**

12.22

**Scope 3: Waste generated in operations (metric tons CO2e)**

32.64

**Scope 3: Business travel (metric tons CO2e)**

242

**Scope 3: Employee commuting (metric tons CO2e)**

36.11

**Scope 3: Upstream leased assets (metric tons CO2e)**

0

**Scope 3: Downstream transportation and distribution (metric tons CO2e)**

1,419.25

**Scope 3: Processing of sold products (metric tons CO2e)**

0

**Scope 3: Use of sold products (metric tons CO2e)**

1,770,324.19

**Scope 3: End of life treatment of sold products (metric tons CO2e)**

990.68

**Scope 3: Downstream leased assets (metric tons CO2e)**

0

**Scope 3: Franchises (metric tons CO2e)**

0

**Scope 3: Other (upstream) (metric tons CO2e)**

0

**Scope 3: Other (downstream) (metric tons CO2e)**

0

**Comment**

N/A

**Past year 2**

---

**Start date**



January 1, 2019

**End date**

December 31, 2019

**Scope 3: Purchased goods and services (metric tons CO2e)**

200,662.63

**Scope 3: Capital goods (metric tons CO2e)**

0

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

1,687.29

**Scope 3: Upstream transportation and distribution (metric tons CO2e)**

17.14

**Scope 3: Waste generated in operations (metric tons CO2e)**

45.76

**Scope 3: Business travel (metric tons CO2e)**

635.7

**Scope 3: Employee commuting (metric tons CO2e)**

357.18

**Scope 3: Upstream leased assets (metric tons CO2e)**

0

**Scope 3: Downstream transportation and distribution (metric tons CO2e)**

1,989.39

**Scope 3: Processing of sold products (metric tons CO2e)**



0

**Scope 3: Use of sold products (metric tons CO2e)**

1,855,435.68

**Scope 3: End of life treatment of sold products (metric tons CO2e)**

1,294.54

**Scope 3: Downstream leased assets (metric tons CO2e)**

0

**Scope 3: Franchises (metric tons CO2e)**

0

**Scope 3: Other (upstream) (metric tons CO2e)**

0

**Scope 3: Other (downstream) (metric tons CO2e)**

0

**Comment**

N/A

**C6.7****(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

**C6.10****(C6.10) 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.**

**Intensity figure**

0.000002932

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

7,851.15

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

2,678,041

**Scope 2 figure used**

Location-based

**% change from previous year**

54.05

**Direction of change**

Decreased

**Reason for change**

Vehicle production, scope 1 and scope 2 emissions are at the same level in 2021 compared to 2020. Anadolu Isuzu entered to new markets. At the same time, the unit sales price of the vehicle has increased in 2021 compared to 2020. Therefore, there was a 54% reduction in CO2e emissions per total annual revenue.



## C7. Emissions breakdowns

### C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

### C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

| Greenhouse gas   | Scope 1 emissions (metric tons of CO <sub>2</sub> e) | GWP Reference                                 |
|------------------|--|---|
| CO <sub>2</sub>  | 4,386.74   | IPCC Sixth Assessment Report (AR6 - 100 year) |
| N <sub>2</sub> O | 2.043  | IPCC Sixth Assessment Report (AR6 - 100 year) |
| CH <sub>4</sub>  | 10.5   | IPCC Sixth Assessment Report (AR6 - 100 year) |

### C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

| Country/Region | Scope 1 emissions (metric tons CO <sub>2</sub> e) |
|----------------|---|
| Turkey         | 4,399.28  |

### C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

By facility



By activity

### C7.3a

**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

| Business division   | Scope 1 emissions (metric ton CO2e) |
|---|-------------------------------------|
| Anadolu Isuzu continues its activities with a single business division under the Anadolu group. | 4,399.279                           |

### C7.3b

**(C7.3b) Break down your total gross global Scope 1 emissions by business facility.**

| Facility  | Scope 1 emissions (metric tons CO2e) | Latitude | Longitude |
|---|--------------------------------------|----------|-----------|
| Anadolu Isuzu continues its activities in Çayırova facility.. | 4,399.279                            | 40.878   | 29.402    |

### C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

| Activity                | Scope 1 emissions (metric tons CO2e) |
|-------------------------|--------------------------------------|
| Stationary Combustion   | 3,094.43                             |
| Mobile Combustion       | 587.53                               |
| Stationary Refrigerants | 717.32                               |

### C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

**(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

|  | Gross Scope 1 emissions, metric tons CO2e | Comment |
|--|---|---------|
|--|---|---------|





|                          |           |     |
|--------------------------|-----------|-----|
| Transport OEM activities | 4,399.279 | N/A |
|--------------------------|-----------|-----|

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

| Country/Region | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|----------------|--|--|
| Turkey         | 3,451.87                                   | 0  |

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

By facility

By activity

### C7.6a

**(C7.6a) 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) |
|---|--|--|
| Anadolu Isuzu continues its activities with a single business division under the Anadolu group. | 3,451.87                                   | 0  |

### C7.6b

**(C7.6b) Break down your total gross global Scope 2 emissions by business facility.**

| Facility   | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|--|--|--|
| Anadolu Isuzu continues its activities in Çayirova facility. | 3,451.87                                   | 0  |



## C7.6c

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

| Activity                                 | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|--|--|--|
| Process activities and office activities | 3,451.87                                   | 0  |

## C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

**(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

|                          | Scope 2, location-based, metric tons CO2e | Scope 2, market-based (if applicable), metric tons CO2e | Comment |
|--------------------------|---|---|---------|
| Transport OEM activities | 3,451.87                                  | 0   | N/A     |

## C-TO7.8

**(C-TO7.8) Provide primary intensity metrics that are appropriate to your indirect emissions in Scope 3 Category 11: Use of sold products from transport.**

### Activity

Heavy Duty Vehicles (HDV)

### Emissions intensity figure

0.000016

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

2,201,026.102

### Metric denominator



t.km

**Metric denominator: Unit total**

135,351,546,886.11

**% change from previous year**

52.14

**Vehicle unit sales in reporting year**

3,770

**Vehicle lifetime in years**

12

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

8,755.95

**Load factor**

4,100.329443

**Please explain the changes, and relevant standards/methodologies used**

CO2 emissions per km and annual mileage information are calculated for all HDV vehicles using fuel data during 1 year period. A product lifetime of 12 years are assumed for all vehicles. All calculated CO2 emissions of HCV are calculated using approximate factors from DEFRA tool. Change from previous year represents the change of vehicle unit sales.

---

**Activity**

Light Duty Vehicles (LDV)

**Emissions intensity figure**

0.0000313

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

328,693.1586

**Metric denominator**

t.km

**Metric denominator: Unit total**

10,516,082,474.23

**% change from previous year**

386

**Vehicle unit sales in reporting year**

1,261

**Vehicle lifetime in years**

12

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

16,653.45

**Load factor**

3,584.41

**Please explain the changes, and relevant standards/methodologies used**

CO2 emissions per km and annual mileage information are calculated for all LDV vehicles using fuel data during 1 year period. A product lifetime of 12 years are assumed for all vehicles. All calculated CO2 emissions of LDV are calculated using approximate factors from DEFRA tool. Change from previous year represents the change of intensity figure which is average annual distance in kilometers expected for each vehicle.



## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased

### C7.9a

**(C7.9a) 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 emissions<br>(metric tons CO <sub>2</sub> e) | Direction of<br>change | Emissions value<br>(percentage) | Please explain calculation  |
|--|--|------------------------|---------------------------------|---|
| Change in renewable energy consumption | 0  | No change              | 0                               | N/A   |
| Other emissions reduction activities   | 68.18  | Decreased              | 0.861                           | Anadolu Isuzu's energy efficiency projects resulted in such decrease in the scope 1 and 2 emissions in the reporting year.<br>2020: 7,919.33 tCO <sub>2</sub><br>2021: 7,851.15 tCO <sub>2</sub><br>difference: -68.18 tCO <sub>2</sub><br>percentage change: $(7,851.15 - 7,919.33) / (7,919.33) * 100 = -0.861$<br>Change : -0.861% |
| Divestment                             | 0  | No change              | 0                               | N/A   |
| Acquisitions                           | 0  | No change              | 0                               | N/A   |
| Mergers                                | 0  | No change              | 0                               | N/A   |
| Change in output                       | 0  | No change              | 0                               | N/A   |



|   |   |           |   |     |
|---|---|-----------|---|-----|
| Change in methodology                   | 0 | No change | 0 | N/A |
| Change in boundary                      | 0 | No change | 0 | N/A |
| Change in physical operating conditions | 0 | No change | 0 | N/A |
| Unidentified                            | 0 | No change | 0 | N/A |
| Other                                   | 0 | No change | 0 | N/A |

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

**(C8.2) 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)       | Yes   |
| Consumption of purchased or acquired electricity | Yes   |



|  |    |
|--|----|
| Consumption of purchased or acquired heat          | No |
| Consumption of purchased or acquired steam         | No |
| Consumption of purchased or acquired cooling       | No |
| Generation of electricity, heat, steam, or cooling | No |

## C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

|  | Heating value             | MWh from renewable sources | MWh from non-renewable sources | Total (renewable and non-renewable) MWh |
|--|---------------------------|----------------------------|--------------------------------|---|
| Consumption of fuel (excluding feedstock)        | LHV (lower heating value) | 0                          | 42,850.57                      | 42,850.57                               |
| Consumption of purchased or acquired electricity |                           | 0                          | 8,045.05                       | 8,045.05                                |
| Total energy consumption                         |                           | 0                          | 50,895.62                      | 50,895.62                               |

## C8.2b

**(C8.2b) 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   | No  |
| Consumption of fuel for the generation of heat          | Yes   |
| Consumption of fuel for the generation of steam         | No  |
| Consumption of fuel for the generation of cooling       | No  |
| Consumption of fuel for co-generation or tri-generation | No  |



## C8.2g

**(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.**

---

### Country/area

Turkey

### Consumption of electricity (MWh)

8,045.05

### Consumption of heat, steam, and cooling (MWh)

0

### Total non-fuel energy consumption (MWh) [Auto-calculated]

8,045.05

## C-TO8.5

**(C-TO8.5) Provide any efficiency metrics that are appropriate for your organization's transport products and/or services.**

---

### Activity

Light Duty Vehicles (LDV)

### Metric figure

1.6

### Metric numerator





MWh

**Metric denominator**

Production: Vehicle

**Metric numerator: Unit total**

2,016.46

**Metric denominator: Unit total**

1,261

**% change from previous year**

-38

**Please explain**

For the reporting year, the figure for Anadolu Isuzu is 1.60 MWh/vehicle. Previous year's realization was 2.60 MWh /vehicle. The metric numerator is the energy consumption of the Anadolu Isuzu. The energy used in total is 2.9% more than the previous year, the number of vehicles produced is also increased. This lead to an decrease of 38% in energy used per vehicle.

**Activity**

Heavy Duty Vehicles (HDV)

**Metric figure**

1.6

**Metric numerator**

MWh

**Metric denominator**

Production: Vehicle

**Metric numerator: Unit total**

6,028.59

**Metric denominator: Unit total**

3,770

**% change from previous year**

-38

**Please explain**

For the reporting year, the figure for Anadolu Isuzu is 1.60 MWh/vehicle. Previous year's realization was 2.60 MWh /vehicle. The metric numerator is the energy consumption of the Anadolu Isuzu. The energy used in total is 0.15% more than the previous year, the number of vehicles produced is also increased. This lead to an decrease of 38% in energy used per vehicle.

## C9. Additional metrics

### C9.1

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**

Waste

**Metric value**

12.75

**Metric numerator**

Hazardous Waste Amount

**Metric denominator (intensity metric only)**

Vehicle

**% change from previous year**

38

**Direction of change**

Decreased

**Please explain**

Anadolu Isuzu ensures maximum recovery by separating the wastes generated in office areas and production lines at the source within the scope of Environmental Management System; non-recyclable waste generation is minimized. Non-recyclable wastes are delivered to licensed companies with legal permits within the framework of laws and regulations and participate in the recycling cycle. With the implementation of the Zero Waste System, 96% of the total waste was recycled. Within the framework of the Zero Waste Regulation, studies on the Zero Waste Management system, which will ensure the effective management of raw materials and natural resources and the protection of sustainable environment and human health, continue. Anadolu Isuzu implements a department-based waste inventory management system in order to incorporate the different departments at its plants into the waste reduction efforts. The roll out of waste reduction projects within the organization continued to have a positive impact on the efforts to reduce the amount of waste per vehicle. Anadolu Isuzu realized a 38% improvement in specific waste consumption per vehicle when compared to the figures for the last year.

**C-TO9.3/C-TS9.3**

**(C-TO9.3/C-TS9.3) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.**

**Activity**

Heavy Duty Vehicles (HDV)

**Metric**

Sales



### Technology

Battery electric vehicle (BEV)

### Metric figure

0.52

### Metric unit

% of total sales

### Explanation

Anadolu Isuzu became a party to the Drive to Zero 2040 initiative to transition to the sale of fully zero-emission commercial vehicles. We made all our production lines suitable for electric vehicle production and produced our first electric vehicle model, the NovoCiti Volt, in reporting year. In line with Anadolu Isuzu goal to expand their product range with zero-emission vehicles, They continue their studies to develop electric models.

Batteries constitute one of the most important issues for us in terms of developing and popularizing electric vehicles. The R & D Department is working on the development of innovative and long-lasting batteries and long-range charging products that contribute to the zero-emission vehicle strategy.

## C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

**(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?**

|       | Investment in low-carbon R&D | Comment  |
|-------|------------------------------|--|
| Row 1 | Yes                          | The climate change risks arising from the current regulations are in the focus of Anadolu Isuzu. For this purpose, Anadolu Isuzu has signed the “Drive to Zero” initiative in line with its commitment to producing zero-emission vehicles by 2040. The Board of Directors make investment decisions by evaluating these risks and opportunities. Anadolu Isuzu aim to increase the ratio of the turnover provided by the production of electric vehicles in the total revenue with the actions taken in the transition of the transport |



|  |   |
|--|---|
|  | <p>market to low-carbon vehicles with the EU Green Deal action plans, especially for the European Market. An investment of 3,000,000 TL has been completed to create an electric vehicle production infrastructure. Reduction of CO2 emissions of vehicles produced within the scope of Anadolu Isuzu R&amp;D centre studies, electric vehicles, CNG vehicles, alternative fuel and connected vehicles are the priority issues. The budget allocated for R &amp; D research for environmentally friendly vehicle production is 48,945,124 TL in total. Anadolu Isuzu's Kendo/Interliner vehicle, while protecting the nature with its environmentally friendly CNG engine, also contributes significantly to the profits of its customers with its low fuel consumption. Kendo/Interliner CNG was awarded the "Sustainable Bus of the Year 2022" award in the Intercity segment at the "Sustainable Bus Award" organization held in Europe. Anadolu Isuzu continue to develop all the product portfolio they offer in their sales network with a low carbon economy strategy.</p> |
|--|---|

## C-TO9.6a/C-TS9.6a

**(C-TO9.6a/C-TS9.6a) Provide details of your organization's investments in low-carbon R&D for transport-related activities over the last three years.**

### Activity

Heavy Duty Vehicles (HDV)

### Technology area

Electrification

### Stage of development in the reporting year

Pilot demonstration

### Average % of total R&D investment over the last 3 years

21-40%

### R&D investment figure in the reporting year (optional)

3,000,000



### Comment

The climate change risks arising from the current regulations are in the focus of Anadolu Isuzu. For this purpose, Anadolu Isuzu has signed the “Drive to Zero” initiative in line with its commitment to producing zero-emission vehicles by 2040. Anadolu Isuzu’s business strategy is to increase the proportion of electric vehicles in their total sales, to highlight their corporate identity in commercial vehicles and to take pioneering steps in the sector. Anadolu Isuzu aim to increase the ratio of the turnover provided by the production of electric vehicles in the total revenue with the actions taken in the transition of the transport market to low-carbon vehicles with the EU Green Deal action plans, especially for the European Market. An investment of 3,000,000 TL has been completed to create an electric vehicle production infrastructure. The process of supplying electric vehicle batteries in the supply chain is a critical of the zero-emission vehicle strategy. Investments that have been made for the supply of Anadolu Isuzu batteries are included in the cost of investments. Anadolu Isuzu continue to develop all the product portfolio they offer in their sales network with a low carbon economy strategy.

## C10. Verification

### C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

|  | Verification/assurance status                          |
|--|--|
| Scope 1                                  | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3                                  | Third-party verification or assurance process in place |

### C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

 ANADOLU ISUZU 2021 Yılı GHG Verification Statement.pdf

**Page/ section reference**The calculated Scope 1 GHG emissions for the 2021 is 4,399.28 tCO<sub>2</sub>e . (page 2)

The greenhouse gas emission data (Scope 1 and 2) for 2021 disclosed in the CDP Report as a result of verification audit held on the basis of international standards has been verified with reasonable assurance. (page 3)

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

**C10.1b**

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

---

**Scope 2 approach**



Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

 ANADOLU ISUZU 2021 Yılı GHG Verification Statement.pdf

**Page/ section reference**

The calculated Scope 2 GHG emissions for the 2021 is 3,451.87 tCO<sub>2</sub>e . (page 2)

The greenhouse gas emission data (Scope 2) for 2021 disclosed in the CDP Report as a result of verification audit held on the basis of international standards has been verified with reasonable assurance. (page 3)

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

## C10.1c

**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**



**Scope 3 category**

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

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 ANADOLU ISUZU 2021 Yılı GHG Verification Statement.pdf

**Page/section reference**

The calculated Scope 3 GHG emissions for the 2021 is 2,779,638.35 tCO<sub>2</sub>e .(page 2) The greenhouse gas emission data (Scope 3) for 2021 disclosed in the CDP Report as a result of verification audit held on the basis of international standards has been verified with limited assurance. (page 3)

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

**C10.2**

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we are waiting for more mature verification standards and/or processes

**C11. Carbon pricing****C11.1**

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

**C11.2**

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

**C11.3**

**(C11.3) Does your organization use an internal price on carbon?**

Yes

**C11.3a**

**(C11.3a) Provide details of how your organization uses an internal price on carbon.**



---

**Objective for implementing an internal carbon price**

Identify and seize low-carbon opportunities

**GHG Scope**

Scope 1

Scope 2

**Application**

Anadolu Isuzu have been continuing to work determinedly increasing rate of renewables who aim to increase their usage of renewable resources, and reduce their emissions. Within the scope of the PMR Project carried out by the Ministry of Environment, Urbanization and Climate Change, necessary infrastructure design studies are carried out for Turkey to switch to the most cost-effective carbon pricing mechanism. The most important outputs of this study are the preparation of the Draft Climate Law, the Draft ETS Regulation and the Draft Offset Communiqué, and the creation of the ETS Registration System, where carbon trading will take place. Internal carbon pricing is used as part of the company's decarbonization strategy and managing the risks of the ETS system and transition to a low-carbon economy. Through this pricing, it can evaluate the current state of our emissions or how, when and how it might affect investment decisions.

**Actual price(s) used (Currency /metric ton)**

75

**Variance of price(s) used**

A variation of 30-120 EUR per tonne of carbon has been used in our new investments feasibility. The latest negotiations on mitigation and adaptation measures of Paris Agreement will bring potential possibilities of additional regulations coming into force in the mid-term. Anadolu Isuzu's target is to be ready to the future emission reduction resolutions that the emerging markets will engage.

**Type of internal carbon price**

Shadow price

**Impact & implication**

Anadolu Isuzu is in the process of establishing a carbon pricing mechanism, an emissions trading scheme that we try to make the best estimation by applying an internal price on carbon before the establishment of this new system. At the same time, Anadolu Isuzu will procure



renewable energy directly to meet the energy efficiency and greenhouse gas emission reduction targets. A carbon value of 30-120 euros per tonne of carbon dioxide is added to the feasibility reports when making new investment decisions. This approach provides a better understanding of how pricing greenhouse gas emissions will affect the status of projects. These costs illustrate the potential financial risks associated with climate change and the potential carbon price impact on the prices of projects under development. The shadow price applied affects the current financial flow and its effect is included in the financial feasibility. The shadow price applied does not affect the current financial flow. The applied shadow price effect is included in the financial feasibility.

## C12. Engagement

### C12.1

#### (C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

### C12.1a

#### (C12.1a) Provide details of your climate-related supplier engagement strategy.

##### Type of engagement

Information collection (understanding supplier behavior)

##### Details of engagement

Collect climate change and carbon information at least annually from suppliers

##### % of suppliers by number

12



**% total procurement spend (direct and indirect)**

42

**% of supplier-related Scope 3 emissions as reported in C6.5**

10

**Rationale for the coverage of your engagement**

Anadolu Isuzu is committed to internalizing, implementing, and disseminating sustainability throughout the value chain. In this direction, our main goal is to create permanent value for our stakeholders by bringing the economic, environmental and social outputs of our activities to the highest possible level. Anadolu Isuzu works with a large pool of domestic suppliers and creates climate-related interaction with its business partners in this value chain.

Rationale for the coverage: As a result of supplier evaluations, the criticality levels of our suppliers are determined. Our suppliers, who make up 80% of our purchasing volume, represent the greatest opportunity to reduce our corporate carbon footprint. For this engagement, suppliers who have emissions permission and MRV document (monitoring, reporting and verification document that is required by the ministry for the companies who have installed capacity greater than 20 MW) are selected.

Evaluations are made through SQA audits, EMS, QMS systems, meetings, stakeholder assessment surveys, periodic reports and meetings. We use an EMS (Environment Management System) Portal system, where climate change questions are added, to research the environmental activities of our suppliers and to take precautions. The EMS system is a data collection platform that suppliers can access and is used to share environmental data. In this context, Access to the portal to collect data related to the environmental management system such as wastewater discharge licenses, hazardous waste temporary storage permit, Emission Permits, ISO 14001, ISO 50001, ISO14064 Documents, electricity, water and raw material consumption data, greenhouse gas monitoring plans and verification carried out within the scope of sustainability provides. For our 2021 inventory, 57 (15%) of our 375 domestic suppliers registered in our supplier portal shared their environmental data. We plan to increase this coverage to 100% by 2030. We analysed the sustainability risks in our supply chain and evaluated 20 suppliers against these risks in 2021. As Anadolu Isuzu, we act on a common ground with our suppliers in the transition to a low carbon economy with electric and autonomous vehicles. We are expanding our supplier network to produce EV vehicles using new technologies.

**Impact of engagement, including measures of success**

At Anadolu Isuzu, complying with the standards brought by the laws and the industry, making production in accordance with the environmental legislation is one of our criteria. In addition, we monitor the compliance of our suppliers with quality and operational standards every year with comprehensive audits. In 2021, we conducted Production Site and System Assessments (SQA) with 35 suppliers in accordance with the Isuzu



Supplier Quality Requirements Standard. In these audits, we determine the suppliers that are open to development in accordance with Anadolu Isuzu Supplier Quality Requirements, and we conduct audits and quality environmental performance improvement studies according to certain criteria. In addition, Supplier Performance Evaluation is carried out and reported by the purchasing directorate, considering the criteria of shipment, quality performance, capacity adequacy and financial situation.

description of measures of success which includes a threshold: Interaction with at least 90% (threshold) of our suppliers is a measure of success in this evaluation. As a result of detailed evaluations (impact of engagement), it has been determined that 32% of our suppliers (120 out of 375 suppliers) have an Environmental Management System, 93% have Hazardous Waste Areas, and 92% implement an Industrial Waste Management System. By 2040, we aim to collect and monitor environmental data from our suppliers, which account for 80% of our purchasing volume, increasing the thresholds for measures of success.

Description of the impact of climate-related supplier engagement strategy giving sectoral and operational context according to the measure of success chosen: In sectoral and operational context, Anadolu Isuzu works with a wide variety of suppliers. It is important to collaborate with them in climate related engagement and targets in the roadmap of accomplishing climate goals. Collecting information from the suppliers will increase awareness and care for climate related matters. As of 2021, the company continues its milk run operations with 60 suppliers. The number of suppliers that declared active emission reduction targets in 2021 is 4 companies. It is planned to work with suppliers who establish and publicly share the calculation of Scope 1, 2 and 3 GHG emissions and science based GHG reduction targets by 2040.

### Comment

As Anadolu Isuzu, we adopt our environmental sustainability approach at the center of our low carbon economy strategy, and we carry out all our activities within this framework.

## C12.1b

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

### Type of engagement & Details of engagement

Education/information sharing

Share information about your products and relevant certification schemes (i.e. Energy STAR)

### % of customers by number



100

### **% of customer - related Scope 3 emissions as reported in C6.5**

100

### **Please explain the rationale for selecting this group of customers and scope of engagement**

Anadolu Isuzu strives to raise awareness of all its stakeholders and customers on the fight against climate change, the European Green Deal, the Paris Agreement, and energy efficiency throughout its business processes. Rationale for selecting this group: All consumers are selected in this engagement group because in the sectoral context, use of sold products creates the most emissions and Anadolu Isuzu must educate/inform all its consumers to take an action against climate change. In this context, our goal is to increase our customers' demand for our zero-emission vehicles and to increase the revenue rate from these models. We attract the attention of our customers and raise awareness with advertisements, bulletins, documentaries and publications about product performance, emission values, energy consumption related to our 100% electric and CNG engine, low emission environmentalist vehicle models. In the prepared bulletins and publications, information is provided within the scope of our company's environmental management system, and our emission management, water and waste management, efficiency projects, circular economy and zero waste studies are shared.

### **Impact of engagement, including measures of success**

Description of the impact of climate-related customer engagement strategy giving sectoral context according to the measure of success chosen: In sectoral context, use of sold products creates the most emissions considering all three of the scopes. Therefore, when Anadolu Isuzu creates an engagement strategy, the company considers all of its customers to act against climate change.

Clear description of measures of success which includes a threshold: If Anadolu Isuzu gets feedback from their customers by 60%, the engagement is considered successful (threshold). We made all our production lines suitable for electric vehicle production and produced our first electric vehicle model, the NovoCiti Volt, in 2021. In this context, our goal is to increase the demand for our zero-emission vehicles in the fight against climate change, and to provide environmental benefit as the output of awareness-raising activities for our authorized service centers and sales dealers with whom we interact.

Anadolu Isuzu, which has a wide service network at home and abroad, follows and supports their continuous improvement within the scope of environmental sustainability as well as current legislation on the environment. They continued to provide training and mentoring to support the development of their competencies by increasing their communication with the dealers, who are the most important element of their customer relations, during the pandemic process. They brought the in-class trainings we offer to our dealers to the digital platform and implemented applications such as online training, webinars and online tests. They moved all training programs to the digital platform. They have completed



environmental trainings on the digital platform for their 94 authorized service centers and 29 sales dealers in 69 provinces in Turkey. They hold distributor meetings with our 35 overseas distributors in 44 countries.

## C12.1d

### **(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

Anadolu Isuzu carries out innovative and sustainable studies in order to minimize the environmental impacts arising from its activities.

Explanation of who "other partners in the value chain" constitutes: We engage in joint activities to create value with our main stakeholders, such as employees, customers, suppliers, dealers and business partners, shareholders and investors, public institutions, and society. In addition, we continue to work in social, economic, and environmental fields with our other stakeholders such as universities, NGOs, financial institutions, sectoral unions and organizations, group companies and the media.

description of your climate-related engagement strategy with other partners in the value chain giving sectoral, regional, and operational context: We cooperate with our business partners within the framework of sustainable development goals. We are developing R&D studies with university-industry collaborations. Collaboration with METU, ITU, Yıldız Technical University, Bartın University, Sabancı University, Okan University and Gebze Technical University, which are among Turkey's leading universities, continued in 2021 as well. Anadolu Isuzu, which carries out projects supported by TÜBİTAK TEYDEB (Technology and Innovation Support Programs Presidency), also carries out studies within the scope of circular economy with undergraduate and doctoral students within the scope of industry-university cooperation. In this context, we support low carbon economy with our production models and processes. In this context, we benefit from green financing supports for our electric and alternative fuel vehicle projects and SPP investments we have developed.

To improve the environmental sustainability and raise awareness of our stakeholders in our value chain, especially Anadolu Isuzu employees, a total of 2,567 man-hours of training were provided to our employees in 2021. Students who are trained in the Engineering fields of universities are reached through the Talent Pickup program, and trainings are organized within the scope of combating climate change and our company's road map. Talent Pickup Program aims to bring qualified and potential students to our Company through Anadolu Isuzu's university-industry cooperation projects. Within the scope of the project, students are provided with employment following their internship training. Thus, added value is provided to R&D studies and environmental projects are supported.

A healthy financial structure, combating the climate crisis, developing environmentally friendly vehicles with alternative fuels, digitalization, increasing localization in supply, connected vehicles and smart systems integration are clearly included in the Company's main priorities.

Anadolu Isuzu works with a large pool of domestic suppliers and shares some of the value it produces with its business partners in this chain. In line with our cooperation with the ecosystem, we aim to further increase our contribution to our national industry, our support for the transition to a low





carbon ecosystem, and the added value we share on the social axis. Localizing lighter, more durable, and biodegradable materials that will reduce our carbon footprint by using the latest technologies is our strategic priority. Our company participates in the meetings organized by the Automotive Industry Association, TUSIAD and the Ministry to determine the climate strategy in the Turkish Automotive Sector.

## C12.2

### (C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

## C12.2a

### (C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

#### Climate-related requirement

Other, please specify

Reduction in energy and water consumption

#### Description of this climate related requirement

It is essential that Anadolu Isuzu Supply Chain works with suppliers that are environmentally friendly and fulfill the minimum legal requirements in all purchasing processes. At the stage of creating a new supplier in the purchasing processes, the quality and cost of the material, product, or service, as well as environmental legislation compliance, environmental effects, environmental performance, and environmentally focused activities are audited. After an agreement is reached with the supplier, Environmental Permits, ISO 14001 Environmental Management System Certificates, Sustainability Reports, Environmental KPI Measurement activities (energy consumption, water consumption, greenhouse gas emission monitoring) are followed through the Quality Supplier Portal of our approved suppliers. Compliance with all environmental legislation published by the Ministry of Environment, Urbanization and Climate Change is stipulated in the agreements made with our suppliers. In our product/service agreements with our suppliers, the regulations that are required to comply with the environment are recorded in the responsibilities section.



**% suppliers by procurement spend that have to comply with this climate-related requirement**

100

**% suppliers by procurement spend in compliance with this climate-related requirement**

100

**Mechanisms for monitoring compliance with this climate-related requirement**

Supplier self-assessment

Supplier scorecard or rating

Other, please specify

Purchase contracts

**Response to supplier non-compliance with this climate-related requirement**

Exclude

## C12.3

**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

**Row 1**

**Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact the climate

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

Yes



**Attach commitment or position statement(s)**

<https://www.anadoluisuzu.com.tr/img/surdurulebilirilik-raporu-2020v-tr.pdf>

 surdurulebilirilik-raporu-2020v-AIOS.pdf

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

Anadolu Isuzu takes a proactive approach by using the Environmental Management System methodology, which is based on the continuous improvement of environmental management performance. Proactive measures are taken to eliminate or reduce environmental risk, loss and pollution sources beyond the requirements of environmental legislation.

Anadolu Isuzu, which is extremely sensitive to the low carbon economy and combating climate change in both production and products, carries out its activities within an environmental management system based on continuous development. Aiming to improve its environmental performance at all stages of the processes, our company designs and implements projects that will ensure energy efficiency.

Anadolu Isuzu has implemented the verification of Greenhouse Gas Reports within the scope of MRV, which is our legal obligation since 2014, and the ISO 14064-1 Greenhouse Gas Management System since 2019. It continues to work to establish the ISO 50001 Energy Management System in 2021.

In line with our ISO 14064-1 1 Greenhouse Gas Management System calculations, we create our road maps with senior management to reduce our Scope1, Scope2 and Scope3 emissions. Duties and responsibilities are determined by the Sustainability Committee and the Environment Department, and the feasibility studies of short, medium and long-term projects are discussed at the Strategic Business Plan meetings. The budgets of effective projects for emission reduction are determined at these meetings, and the commissioning processes of the approved projects are carried out by the Energy Department. From the beginning of next year, it is planned to set our emission reduction targets according to the Science-Based Targets Initiative and to make a commitment.

## C12.3a

**(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?**

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**Focus of policy, law, or regulation that may impact the climate**



Carbon tax

Mandatory climate-related reporting

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

The issue of combating climate change is managed with a strategic approach in Anadolu Isuzu's Board of Directors, where risks and opportunities are evaluated. It actively cooperates with the Automotive Industry Association, the Turkish Industrialists' and Businessmen's Association (TUSIAD), and the Foreign Economic Relations Board (DEIK) and participates in the infrastructure studies of the Climate Law, Emissions Trading System, prepared by the Ministry of Environment, Urbanization and Climate Change, and gives opinions.

The European Green Agreement announced in 2019 and the Fit For 55 package, the details of which were announced in 2021, and the Anadolu Isuzu AYM Compliance Roadmap, and the risks and opportunities of this process are evaluated with the senior management at least twice a year at strategic meetings. In addition, our company takes an active role in the Environmental Committees of Anadolu Group and OSD, and in the Green Reconciliation Task Force Working Group of the Turkish Industrialists' and Businessmen's Association (TÜSİAD).

**Policy, law, or regulation geographic coverage**

National

**Country/region the policy, law, or regulation applies to**

Turkey

Europe

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

Anadolu Isuzu expressed its views on the Regulation on the Monitoring of Greenhouse Gas Emissions (MRV), a communiqué on the monitoring and reporting of greenhouse gas emissions presented by the Ministry of Environment, Urbanization and Climate Change, and the Turkish Climate Law, Carbon Pricing, and ETS Attitude document through TUSIAD and OSD. and shared technical comments on the basis of the automotive sector. As of 2014, it submits the MRV report to the ministry every year.

The emission value originating from the automotive sector originates from the usage phase of the product in the lifetime analysis of the product.

In line with the European Union Green Agreement, we are trying to establish a structure that will transform the industry with the production of zero-emission vehicles by 2040. In line with the market supply demands of electrification and autonomous vehicles, we take a role in the total



fight against climate change by shifting customer focus to the strategy of transitioning to a low carbon economy. By 2030, we aim to reduce our carbon emissions per vehicle by 50-55% compared to 2019 and to determine our actions within the framework of our vision of being carbon neutral.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Focus of policy, law, or regulation that may impact the climate**

Electricity grid access for renewables  
 Minimum energy efficiency requirements  
 Renewable energy generation

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Anadolu Isuzu, The Ministry of Energy and Natural Resources, General Directorate of Renewable Energy and the Ministry of Science, Industry and Technology are actively following their work, and the strategy of working in harmony with the goal of keeping the global temperature increase at 1.5°C due to the bottlenecks in energy supply has put renewable energy investments on the agenda.

**Policy, law, or regulation geographic coverage**

National

**Country/region the policy, law, or regulation applies to**

Turkey  
 Europe

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**



Turkey's commercial vehicle brand Anadolu Isuzu aims to be a first in the Turkish automotive industry with its investments in line with its sustainability goals and its move to transition to a high level of green energy in production. Anadolu Isuzu plans to complete the installation of the solar power plant on the roofs of its modern production facilities in Çayırova in 2022. In this way, it will meet 70 percent of the electricity it needs in production from solar energy.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Focus of policy, law, or regulation that may impact the climate**

Transparency requirements

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

As a publicly traded company, we consider effective corporate governance and compliance as key to the sustainability of an efficient and successful economic performance beyond being a legal requirement. In addition to our company-wide governance and reporting systems and tools, human resources training and audit studies and transparency practices also contribute to our work in these areas and accelerate development opportunities.

**Policy, law, or regulation geographic coverage**

National

**Country/region the policy, law, or regulation applies to**

Turkey

Europe

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**



Anadolu Isuzu envisages a transparent, ethical and respectful dialogue with its stakeholders. The company considers its sustainability corporate strategy, targets and long-term value creation power with a multi-faceted approach, which it believes will contribute to the stakeholder dialogue and disclosure process and shares its performance results for the reporting period. In this direction, sustainability reports have been prepared in accordance with GRI standards since 2018.

### **Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

#### **Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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#### **Focus of policy, law, or regulation that may impact the climate**

Verification and audits

#### **Specify the policy, law, or regulation on which your organization is engaging with policy makers**

We have been making carbon footprint calculations since 2019 in order to manage our Greenhouse Gas Emissions, to present the criteria that our stakeholders care about, and to comply with the carbon regulation mechanism at the border that will come with the European green agreement. We have the carbon footprint results calculated in 2021 verified by an independent accredited institution that complies with the ISO 14064-1:2016 Greenhouse Gas Emission Calculation and Reporting Standard. There is Anadolu Isuzu Greenhouse Gas Emission Inventory, which is verified by a third party.

Anadolu Isuzu, which has ISO 14001:2015 certificate, implements the environmental management system and ensures its continuous improvement.

Anadolu Isuzu, which deals with environmental sustainability under the headings of reducing the effects of climate change, water risks and management, use of renewable energy sources and reducing greenhouse gas emissions, and effective waste management, continues its investments to reduce its environmental footprint along the value chain with an approach based on efficiency.

In 2021, work has begun to establish an energy management system at the factory, within the framework of the standards of the ISO 50001 Energy Management System. With this document, it is aimed to save energy, reduce energy costs, and create processes and systems that encourage environmental awareness.

#### **Policy, law, or regulation geographic coverage**



National

**Country/region the policy, law, or regulation applies to**

Turkey

Europe

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

Anadolu Isuzu validates its work within the scope of ISO Standards, ensures the active work of management systems and reports it to the senior management at annual review meetings.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

## C12.3b

**(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.**

**Trade association**

Other, please specify

Automotive Manufacturers Association

**Is your organization's position on climate change consistent with theirs?**

Consistent



**Has your organization influenced, or is your organization attempting to influence their position?**

We are attempting to influence them to change their position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

Automotive Manufacturers Association (OSD), with its 13 member companies and wide expert staff, has been successfully continuing its efforts to improve the Automotive Industry in Turkey for 48 years. OSD, a member of OICA (International Organization of Motor Vehicle Manufacturers) since January 1995, represents the Turkish Automotive Industry on the international platform. Since 2006, she (Environmental & Sustainability Supervisor of Anadolu Isuzu) has been representing Turkey in the "Liaison Committee" activities, where current global and local developments are evaluated, within the body of ACEA (The European Automobile Manufacturers' Association) with the participation of relevant country associations from the EU.

Anadolu Isuzu is one of the 13 member companies of OSD. Within the scope of combating climate change, the Environment Committee plays an active role. The environmental committee was established by the environmental engineers of the OSD members to share information and experience on compliance with environmental legislation. She (Environmental & Sustainability Supervisor of Anadolu Isuzu) served as chairman of the environmental committee in 2019 and 2020.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

250,000

**Describe the aim of your organization's funding**

This is the membership fee for this association and it is the total amount paid in the reporting year.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**



Other, please specify

Turkish Industry and Business Association (TÜSİAD)

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We are attempting to influence them to change their position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

Following the updated Environmental Legislation, which is constantly renewed in the EU harmonization process, preparing proposals, and forming opinions on the drafts issued within the scope of the relevant legislation, preparing roadmaps within the scope of combating climate change, cooperating with relevant institutions/organizations and creating solution proposals are among the duties of the environmental committee.

TÜSİAD EU Green Deal Task Force, to follow the regulations set forth within the scope of the Green Deal published by the European Commission; to analyze the effects of the regulations on the Turkish economy and the business world; Anadolu Isuzu takes an active role in TÜSİAD EU Green Deal Task Force meetings.

Anadolu Isuzu, which is in the sub-working group on Combating Climate Change, ETS position document, internal carbon pricing, NDC to be submitted by Turkey within the scope of Paris Agreement, Long Term Strategy and Action Plan for 2053 target, policy recommendations for carbon pricing (ETS, tax), follow-up of the PMI process, follow-up of the national action plan for the implementation of EU Integrated Pollution Prevention and Control (IPPC) legislation, Contribution to the finalization of the Draft ETS legislation, Draft Climate Law, Development of private sector approaches supporting Turkey 2053 carbon-neutral target, Studies supporting the calculation of the carbon footprint He conveyed his opinion on the issues to the committee.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

0

**Describe the aim of your organization's funding**



**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify

Foreign Economic Relations Board of Turkey (DEİK)

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We are attempting to influence them to change their position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

Foreign Economic Relations Board of Turkey (DEİK) is an economic organization established to monitor and assist Turkey's economic, commercial, industrial and financial relations with foreign countries and international communities. Anadolu Isuzu is a member of the Foreign Economic Relations Board of Turkey (DEİK).

DEİK has formed a EU Green Deal Action Plan specialized working group to adopt environmentally friendly and sustainable ways of doing business that is sensitive to the global climate crisis, and Anadolu Isuzu is a member of this sub-committee.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

0

**Describe the aim of your organization's funding**



**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

## C12.3c

**(C12.3c) Provide details of the funding you provided to other organizations in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.**

### **Type of organization**

Non-Governmental Organization (NGO) or charitable organization

### **State the organization to which you provided funding**

Automotive Manufacturer Association (OSD)

### **Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)**

250,000

### **Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate**

This is the membership fee for this association and it is the total amount paid in the reporting year.

Automotive Manufacturers Association (OSD), with its 13 member companies and wide expert staff, has been successfully continuing its efforts to improve the Automotive Industry in Turkey for 48 years. OSD, a member of OICA (International Organization of Motor Vehicle Manufacturers) since January 1995, represents the Turkish Automotive Industry on the international platform. Since 2006, she (Environmental & Sustainability Supervisor of Anadolu Isuzu) has been representing Turkey in the "Liaison Committee" activities, where current global and local developments are evaluated, within the body of ACEA (The European Automobile Manufacturers' Association) with the participation of relevant country associations from the EU.

Working groups under OSD assists possible regulations and develops public policy position of the OSD regarding climate change. The



environmental committee was established by the environmental engineers of the OSD members to share information and experience on compliance with environmental legislation. Therefore, it plays an important role influencing policies and regulations.

**Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

 31-aralik-2021-faaliyet-raporu-isuzu.pdf

**Page/Section reference**

PAGE 66: Governance

PAGE 67, 68, 69, 70: Strategy, other metrics

PAGE 68: Risks and Opportunities

PAGE 78, 79, 82, 134: Other Metrics, governance, strategy, risks and opportunities

**Content elements**



Governance  
 Strategy  
 Risks & opportunities  
 Other metrics

### Comment

Anadolu Isuzu shares its sustainability journey via mainstream reports as well as sustainability reports. Since 2018, they have been sharing corporate sustainability reports publicly on a voluntary basis in accordance with GRI standards.

Other climate-related metrics such as governance, strategy, risk management, emission figures, energy consumption, water consumption, waste amounts, and climate-related projects are publicly shared in Anadolu Isuzu's sustainability reports.

## C15. Biodiversity

### C15.1

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

|       | Board-level oversight and/or executive management-level responsibility for biodiversity-related issues | Description of oversight and objectives relating to biodiversity  |
|-------|--|---|
| Row 1 | Yes, board-level oversight   | The increasing decline in biodiversity and the number of wild creatures is causing ecosystems to deteriorate. The fact that biodiversity loss and ecosystem decimation are among the five most likely risks to occur in the next 10 years and the number of wild animals in nature has decreased by 68% in the last 50 years shows the importance of taking measures in this regard. In this direction, as a company affiliated to Anadolu Group, projects are being developed and applications to study, audit, monitor and protect the impact of our activities on biodiversity and wildlife. Anadolu Isuzu is acting in accordance with the requirements of the United |

|  |  |
|--|--|
|  | <p>Nations Convention on Biological Diversity.</p> <p>A project has been launched to protect the Anatolian ground squirrel (<i>Spermophilus xanthoprimum</i>), which is classified in the near-endangered category in the red list of the International Union for Conservation of Nature (IUCN) with the AG Anadolu Group Holding, the Hatay Nature Conservancy and the International Union for Conservation of Nature. Within the scope of the monitoring studies carried out in the Karapınar district of Konya province, approximately 350 Anatolian ground squirrels were detected in a total of 15 different areas. In the region, habitat loss was seen as one of the main external factors threatening the Anatolian landmarks. Preservation of the natural structure of steppe areas for the continuation of the extinction of this species; roads, reforestation, residential activities, such as take the necessary measures to be done in a planned manner; the falling out and eating foods from vehicles on the road for the placing of warning signs where necessary for the protection of the oppressed Anatolian ground squirrel; domestic travel destinations recommendations for the placement of signs of damage in this type of waste generated. In addition, communication efforts have been launched to raise public awareness about biodiversity. As Anadolu Isuzu, we are committed to giving importance to biodiversity issues and reducing the effects of climate change in order to ensure the protection of ecological balance within the scope of our environmental policy.</p> |
|--|--|

## C15.2

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

| Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity |  |
|---|--|
| Row 1   | No, but we plan to do so within the next 2 years |

## C15.3

**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

| Does your organization assess the impact of its value chain on biodiversity? |  |
|--|--|
| Row 1  | No, but we plan to assess biodiversity-related impacts within the next two years |



## C15.4

**(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

|       | Have you taken any actions in the reporting period to progress your biodiversity-related commitments? | Type of action taken to progress biodiversity-related commitments |
|-------|---|---|
| Row 1 | Yes, we are taking actions to progress our biodiversity-related commitments                           | Land/water management<br>Education & awareness                    |

## C15.5

**(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

|       | Does your organization use indicators to monitor biodiversity performance? | Indicators used to monitor biodiversity performance |
|-------|--|---|
| Row 1 | No, we do not use indicators, but plan to within the next two years        |   |

## C15.6

**(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

| Report type  | Content elements | Attach the document and indicate where in the document the relevant biodiversity information is located |
|--|------------------|---|
| In voluntary sustainability report or other voluntary communications |                  | 2021 Sustainability Report will be published in later this year.  |





## C16. Signoff

### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

N/A

### C16.1

**(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

|       | Job title | Corresponding job category    |
|-------|-----------|-------------------------------|
| Row 1 | CEO       | Chief Executive Officer (CEO) |

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

|                                       | I understand that my response will be shared with all requesting stakeholders | Response permission |
|---------------------------------------|---|---------------------|
| Please select your submission options | Yes   | Public              |

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. CDP Climate Change Questionnaire 2022 Wednesday, July 27, 2022



**Please confirm below**

I have read and accept the applicable Terms