

Welcome to your CDP Climate Change Questionnaire 2023

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 m² 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 2022, the average number of employees at Anadolu Isuzu is 1189. 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.

Turkey's commercial vehicle brand Anadolu Isuzu won two awards at the German Design Awards, one of the most prestigious award organizations in the world, with its success in the design of its electric vehicles. Anadolu Isuzu received the "German Design Awards Gold 2023" award with its innovative electric transportation solution Big.e, and the "German Design Awards Winner 2023" award with its 100% electric midibus Isuzu NovoCiti VOLT.

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 and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

No

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-T00.7/C-TS0.7

(C-T00.7/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 LEI code	789000W9CMLD3UGQST21
Yes, a Ticker symbol	ASUZU

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 or committee	Responsibilities for climate-related issues
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. Under the leadership of the Board-Level Sustainability Committee, decisions regarding climate change were taken by the General Manager during the reporting year. Senior Management reports to the Board of Directors on all climate-related matters. The responsibilities of the Board-Level Sustainability Committee and the Senior Management on sustainability and climate change are as follows:</p> <ul style="list-style-type: none"> - 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. - 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. <p>Climate related decision examples that the Board-Level Committee approved are: Anadolu Isuzu's Board of Directors approved the construction of a 5.5 MW Solar Energy Powerplant (SPP) project in October 2021; and in 2022 they started to use renewable electricity generated in this SPP. Also in 2022, the Board decided to increase the capacity of this SPP, from 55% to 70%. Related to this decision; in 2023, it is planned to install 2223 panels on the roofs of the administrative building, mechanical test, spare parts, auxiliary facilities and R&D buildings, each 545 Wp, with a total installed power of 1,211 kWp, covering an area of 5,691 m2. In addition, it is aimed to reduce scope 1 and scope 2 emissions with other energy projects. Among the decisions taken by the CEO regarding climate change are the budgets of energy projects to be carried out in 2023.</p> <p>In 2022, Anadolu Isuzu (with the decision and approval of the Board), committed to the Science Based Targets. They are currently in the development step.</p>

C1.1b

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

Frequency with which climate-related issues are	Governance mechanisms into which climate-related issues are integrated	Please explain

a scheduled agenda item		
Scheduled – all meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	<p>The Board of Directors and Senior Management ensure that issues related to climate change are addressed, policies are reviewed, strategies are determined, risks and opportunities are reviewed in the process, the annual budget is reviewed, transition plans are developed and directed, performance targets are set, and targets are implemented and monitored. In addition, more than one meeting is held periodically in order to monitor and supervise large capital expenditures and employee incentives, and the agenda is determined according to the current period and conditions. These meetings can be listed as Board of Directors Meeting, 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. 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. 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>In 2022, a materiality analysis made to prioritize the sustainability matters in order to their importance. This analysis consisted of stakeholder participation. The analysis showed climate change and environmental impact is the top matter. SPP built in 2021 and activated in the 3rd quarter of 2022, resulted in 30% renewable energy use (1088 mWh) in 2022 in Anadolu Isuzu. This also means a 450 tCO₂e reduction in energy related emissions of Anadolu Isuzu. The Board approved to increase the generation capacity of the SPP from 55% to 70%. In 2023, it is planned to install 2223 panels on the roofs of the administrative building, mechanical test, spare parts,</p>

		auxiliary facilities and R&D buildings, each 545 Wp, with a total installed power of 1,211 kWp, covering an area of 5,691 m2.
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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	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	Our general manager leads the internalization and dissemination of Anadolu Isuzu's sustainability strategy and vision. His competence in climate matters comes from his experience in this field. He prioritizes the focus of Anadolu Isuzu's efforts on combating the climate crisis, which accelerates on a global and local scale, in all its processes. He manages zero-emission vehicle strategies to maintain our leading position in commercial vehicle exports. He is a member of Turmepa Deniz Temiz Association, Private Sector Volunteers Association, Business World and Sustainable Development Association.

C1.2

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

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

- Managing annual budgets for climate mitigation activities
- Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
- Developing a climate transition plan
- Implementing a climate transition plan
- Integrating climate-related issues into the strategy
- Monitoring progress against climate-related corporate targets
- Assessing climate-related risks and opportunities
- Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

CEO reports to the Board directly therefore is selected as the highest management level.

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.

Shortly;

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. 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 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. Sustainability and Facility Investment 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. 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

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

- Bonus - % of salary
- Bonus – set figure
- Promotion

Performance indicator(s)

- Board approval of climate transition plan
- Achievement of climate transition plan KPI
- Progress towards a climate-related target
- Achievement of a climate-related target
- Implementation of an emissions reduction initiative
- Reduction in emissions intensity
- Energy efficiency improvement
- Increased share of renewable energy in total energy consumption
- Reduction in total energy consumption

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

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. CEO is highest position to be rewarded for climate related KPIs. 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.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Anadolu Isuzu operates in an emission intensive sector. Its products directly create emissions. Anadolu Isuzu acts as a leader in its sector and create projects that create value both to the economy and to the environment. Climate change action matters to Anadolu Isuzu. They work for both project-based short-term goals and strategy-based long-term climate transition achievements. Every motivation adds up to achieving the goal of 1.5 World. These incentives push the company's strategies and goals; and company's strategies and goals contribute to the 1.5 World.

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 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 5 million Turkish Liras is accepted as substantive financial impact. Revenue is 6,270,000 thousand Turkish Liras in the reporting year -it increased 134%, thus this represents the 0.079% of it. Fluctuation in the revenue by 0.079% accepted as substantive. This small percentage of income, even 0.079% fluctuation, is considered a significant environmental risk. In line with 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 carbon border adjustment 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 in the Sustainability Facility investment directorate perform the tasks 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 are arising from the use of sold products and give Anadolu Isuzu the resilience against climate related regulations.

Considering the product life cycle 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. NovoCiti Volt, the first model of 100% electric vehicles, was awarded in the "public transportation" category at the German Design Awards and ABC Design Awards in 2022. As part of the transition to zero-emission vehicle strategy in 2022, the 100% electric Big.e model was developed for businesses that offer 'last kilometer' package service and distribution services in the city. With its modern design, practical features and safe, frugal character, it is planned to be put on sale from 2024. The Big.e model was deemed worthy of the "Gold Winner" award, the highest design award level, in the "service tool" category at the German Design Awards. As of 2022, Anadolu Isuzu continues its success in the automotive sector with the patents it has received as part of its R&D studies. In 2022, 8 patents, 7 utility models and 4 industrial designs were registered. Anadolu Isuzu started studies for 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	Anadolu Isuzu considers 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 the 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 3rd party verifier 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 2022, 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 started to work aligned with "Drive to Zero" initiative in line with its commitment to producing zero-emission vehicles by 2040. An investment of 3,000,000 TRY has been

		<p>completed to create an electric vehicle production infrastructure in 2021. The budget allocated for R & D research for environmentally friendly vehicle production is 108,029,696 TRY in 2022.</p> <p>In 2022, Anadolu Isuzu attended the event that is organized by Kocaeli Chamber of Industry and EU Information Center which encouraged participants to understand climate change, its risks and opportunities, finding solutions and creating policies that support these solutions. Also in 2022, Anadolu Isuzu attended Sabancı University's event where they focused on circular economy, digital and technological transition, alternative fueled vehicles, electric vehicles and its battery infrastructures. 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 studied in 2022, and increasing the budget of the project has been planned in the reporting year. In 2023, budget is set as 8,876,389 TRY.</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 and updated its NDC in November 2022. 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 EU Green Deal 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. (This risk is studied in C2.3a)</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. Reduction of CO2 emissions of</p>

		<p>vehicles produced within the scope of Anadolu Isuzu R&D centre studies, electric vehicles, CNG vehicles, alternative fuel and connected vehicles are the priority issues. Anadolu Isuzu completed the Eureka Project and continue its studies in Ufuk2020 5GMed. In 2022, 2 of our projects were accepted in priority areas within the scope of the Technology-Oriented Industry Move of the Ministry of Industry and Technology. In this context, meetings were held with many local companies regarding priority technology areas and synergy was created. Anadolu Isuzu R&D Center carries out joint projects with start-ups, suppliers and SMEs within the framework of strategic collaborations in order to increase its knowledge and to follow the technological developments in the world more closely. Collaborations were made with more than 30 companies in various scopes and mentoring activities were carried out. In addition, project development studies are carried out within the scope of TÜBİTAK projects.</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. (EU) 2019/631 for vans and The Regulation (EU) 2019/1242 heavy duty vehicles are setting Regulation CO2 emission standards strengthen the competitiveness of automotive industry.</p> <p>As part of the European Green Deal, the sale of internal combustion engine vehicles will be stopped by 2035. 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</p>

		<p>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 TRY 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.</p> <p>Compliance with legal requirements, combating climate change against green washing, leading investments in the sector are prioritized projects that provide sustainable benefits. Anadolu Isuzu's environmental data are reported in our sustainability report also for reputational and other purposes. In order to reduce Scope 2 Greenhouse Gas Emissions and to be resistant to increasing energy costs, a decision has been made in 2021 to invest 5,500 MWp in Solar Power Plant. Solar Power Plant is built in 9 months and as of September 2022 following the its activation, total of 1,088 KWh electricity was produced from solar energy, meeting 30% of Anadolu Isuzu's electricity consumption in 2022.</p> <p>Also in 2022, many energy efficiency and energy saving projects has</p>

		<p>been accomplished. Total of 28,756 GJ savings were achieved in energy efficiency, preventing 3,427 tons of CO₂e greenhouse gas emissions.</p> <p>Again in 2022, Anadolu Isuzu vehicle Big.e and Novociti Volt awarded in German Design Awards. Anadolu Isuzu works to increase its values and reputation.</p>
Acute physical	Relevant, always included	<p>Hail, extreme climatic conditions, floods, forest fires, 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 financial risk. In order to ensure business sustainability, Senior Management makes decisions and implements them.</p> <p>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.</p> <p>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. 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 TRY 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 TRY was lost. The investment for protection is then made.</p>
Chronic physical	Relevant, always included	<p>To analyze the impact of the climate change on the company's economy, the relevant chronic physical risks are considered. Water risks -which drought is an important chronic physical risk- are evaluated in our risk evaluation, regarding the area where Anadolu Isuzu has its factory. Anadolu Isuzu meets its water needs from 3 wells. Among the action plans, Water Risks & Safety Assessment and Water Resources Planning & Drought Action Plan were planned to be added for 2023</p>

		<p>actions in 2022. With this study, hydrogeological (ground water condition) and hydrological (surface water condition) examination of the basin and near future projections will be made.</p> <p>Wastewater Treatment Plant is renewed in 2022 for 397,750 TRY and; for 2023, due to the cataphoresis pools renewal project in production, an investment budget of 8,876.389 TL was created for the construction of an innovative and modern new treatment plant, foreseeing an increase in the capacity of the treatment plant. Also in 2022, the necessity of establishing a Continuous Wastewater Monitoring Station (SAİS) was declared by the Environmental Protection and Control Department of the General Directorate of Kocaeli Water and Sewerage Administration in accordance with the "Regulation on Discharge of Wastewater to the Sewerage". Based on this decision, an investment budget of 1,571,616 TRY was allocated. With the cabin to be established in 2023, the discharge water coming out of the wastewater treatment plant will be monitored continuously and momentarily by 6 parameters (temperature, pH, conductivity, suspended solid, COD, dissolved oxygen). One of the advantages of the project is the online monitoring of the water quality by the administration and Anadolu Isuzu in case the wastewater to be discharged to the sewerage exceeds the limits.</p>
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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

Mandates on and regulation of existing products and services

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

To maintain competitiveness in Europe, following emerging regulations is crucial. Regulations have been raised on the implementation of Carbon Border Adjustment Mechanism and the purchase of several fossil fuel-consuming products. Turkey is expected to be greatly affected by the European Green Deal as Turkey and Europe are trade partners. 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 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

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,090,483,035

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 2022. This is an approximate calculation with average vehicle price.

Vehicles sold to EU in 2022 X Their average price = potential financial impact figure
(781x2,676,674.8=2,090,483,035.00)

Cost of response to risk

108,029,696

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 low carbon vehicles 12-13 m Class2 CNG, Citiport18 CNG, 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. R&D and investments have been made for the supply of Anadolu Isuzu electric vehicle batteries in 2021; and for the reporting year of 2022, there were no additional R&D and investment expenditures for these batteries. Therefore they are not included in the cost of response to risk (meaning total R&D expenditures of 108,029,696 TRY). In 2022, the total cost of R&D for the production of environmentally friendly vehicles is 108,029,696 TRY (cost of response to risk).

Explanation of cost of response to risk calculation: CNG Vehicle R&D+ Electric Vehicle R&D+Autonomus Vehicle and Vehicle Lightening R&D=Total R&D expenditures
8,696,827+97,843,566+1,489,303=108,029,696 TRY

Case study providing a description of the action(s) taken to address the risk with 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), and production of new models for electric vehicles started (Big-e, Citivolt 12m, Citivolt 18m)

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 transition. 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 Solar Power Plant (SPP) project. SPP is activated in September 2022, and provided energy for 30% of the electricity consumption in 2022. For the 3 months of 2022, SPP generated 1088 MWh electricity.

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 is used for unlicensed electricity generation activities. The power plant, which is installed on the roofs of bus and truck buildings, covers an area of 27,000 m². The estimated total emission reduction from this project in 2022 has been calculated as 450 tCO₂e. After the projections the investment's scope is decided to be widened in 2023. Power capacity will be increased to 70%, increasing by 15%. Therefore the percentage of renewable use will be increased gradually. With the new investment, there will be a total of 2223 panels covering an area of 5691 squaremeters generating electricity from solar energy.

Time horizon

Short-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)

2,731,663.36

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Approach: This project reduced the grid electricity consumption by approximately 30% in the 3 months of active period in 2022. Therefore, Anadolu Isuzu paid 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 average grid electricity price of 2022 (2.51072 TRY) multiplied by 1,088,000 kwh which corresponds to the 30% of energy consumption of Anadolu Isuzu in 2022. Figures used in your calculation: Accordingly, the company saved 30% of its grid consumption and paid less (1088000 kwh X 2.51072 TRY = 2,731,663.36 TRY), and the potential financial impact is 2,731,663.36 TRY. Assumptions the figure is dependent on: this calculation is conducted with 2022 electricity average price hence it is assumed that the expenditure will be similar in the coming years where this opportunity occurs. Also, this calculation is based on year 2022, however when the scope of investment is widened in 2023, 70% of consumption will be included. And positive impact will increase.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Case study: "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. Second stage of this project is approved by the Board in the reporting year. The responsible positions still working in their business as usual scenario.

Comment

The investment cost of the SPP plants is approximately 23,535,207 TRY.

C3. Business Strategy

C3.1

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

Row 1

Climate transition plan

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

Publicly available climate transition plan

Yes

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

Our climate 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 climate transition plan (optional)

 31_Aralik_2022_Tarihli_Faaliyet_Raporu.pdf

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 Bespoke transition scenario	Company-wide	1.5°C	<p>Assumptions of the selected scenario: It is assumed that the world will reach net zero by 2050 with science based targets, emission reduction and carbon capture technologies and, nationally determined contributions. IPCC, IEA and Turkey’s NDC’s assumptions and analyses are considered in Anadolu Isuzu’s bespoke transition scenario along with the SBTi guides. SBTi’s sector guideline is another important resource for Anadolu Isuzu forming their bespoke scenario.</p> <p>Parameters: Anadolu Isuzu considers the developing regulations related to climate change in its strategic planning processes. After Turkey ratified the Paris Agreement in October 2021, they updated its national contribution statement (NDC) in 2022. 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. Turkey’s NDC and the IPCC’s 6th Evaluation WGI-Physical Science Foundation reports are used in Anadolu Isuzu for the 1.5°C scenario qualitative analysis. 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>Analytical Choices: Efforts to develop and produce alternative fuel vehicles are being increased by R&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 invested 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. 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</p>

			are considered a high risk for financial impacts. To manage these risks, 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 2022 in line with science-based targets. Anadolu Isuzu has been committed to the Science Based Targets Initiative since 2022.
Physical climate scenarios RCP 8.5	Company-wide		Assumptions: IPCC's representative concentration pathway in which radiative forcing reaches at approximately 8.5 W/m ² after 2100 is assumed to happen in the physical scenario. This scenario assumes the global warming will reach to ~5°C. 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. 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. Anadolu Isuzu's strategies for managing physical risks and turning them into opportunities can be stated as follows. Parameters: Greenhouse gas concentration, water stress level, temperature fluctuations are used as parameters when studying this scenario. Analytic choices: 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. Studies are being conducted on alternative production methods as an action against water shortages. According to the results of the physical risk assessment, water scarcity stands out for Anadolu Isuzu. 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. Water treatment and water well investments are on the agenda of Anadolu Isuzu.

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 as a description of the results of the scenario analysis, before taking any action against them. An example of the result of the analysis, 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. Results of this scenario analysis are informed decision-making at Anadolu Isuzu, and they stated to produce electricity vehicles as of 2019. They are gradually increasing the amount produced and informed their strategy accordingly. Sales of these low carbon products have increased in the reporting year compared to 2021 (electric vehicle by 633%, CNG by 89%).

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 as a result of the scenario analysis. Climate crisis is also linked to energy sector. Fossil fuel consumption is enhancing the pace of change. description of the results of the scenario analysis: 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 in 2021 (informed decision). As a result of this scenario analysis, Anadolu Isuzu's strategy is informed, and Solar Power Plant built through the first 9 months of 2022. As of September 2022, through December 2022, they generated 30% of their electricity needs via this plant. Therefore, carbon footprint of Anadolu Isuzu Scope 2 emissions decreased in 2022.

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	<p>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 2022 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.</p>
Supply chain and/or value chain	Yes	<p>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 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&D and product strategy. Anadolu Isuzu is working to provide innovative and environmentally friendly products and services with its R&D staff of 125 people who have high technology capabilities in R&D and innovation competencies. Anadolu Isuzu is working to reduce the environmental impact of its products through its R & D studies. In this context, in 2022 108,029,696TL resources have been allocated for R&D studies. According to the results of the performance index conducted to evaluate the Decencies of R & 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 & D Personnel Employment". 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. 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 & 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 order to achieve the goals, Anadolu Isuzu apply the best available techniques in their production processes. In line with the science-based targets, the company aims to reduce Scope 1 & 2 emissions by 2030 compared to the base year of 2022. With the</p>

		<p>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, and ISO 50001 Energy Management System since 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. In 2022, 9 energy efficiency projects were implemented, and; a total of 1,299,124 kwh of electricity and 584,000 sm³ natural gas was saved. Increasing the solar power plant's capacity, energy savings will increase in the coming years.</p>
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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 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation	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. 7.57% of Anadolu Isuzu revenue in 2022 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

		<p>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. Anadolu Isuzu increased its export volume in 2022, despite shrinking export markets & reached the highest market share among Turkish exporters in its export history (27.8% of overall bus & midibus exports from Turkey). Total production rate is increased 26% and the export market share is 27.8%. Alternative fuel & 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. 13,338,674 TRY of financial savings were achieved through 9 energy efficiency projects carried out in 2022. 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 2022 at least %50-55% by 2030 and aims net zero 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>
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C3.5

(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

Identification of spending/revenue that is aligned with your organization’s climate transition	
Row 1	Yes, we identify alignment with our climate transition plan

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization’s climate transition.

Financial Metric

CAPEX

Type of alignment being reported for this financial metric

Alignment with our climate transition plan

Taxonomy under which information is being reported

Objective under which alignment is being reported

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

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

39

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

45

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

60

Describe the methodology used to identify spending/revenue that is aligned

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 2% of total company turnover. 39% 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

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

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2022

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

4,242.626

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

3,426.218

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

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

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

7,668.844

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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total 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

2030

Targeted reduction from base year (%)

42

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

4,447.92952

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

4,242.626

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

3,426.218

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total 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)

7,668.844

Does this target cover any land-related emissions?

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

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

0

Target status in reporting year

New

Please explain target coverage and identify any exclusions

Anadolu Isuzu is monitoring their GHG emissions. In 2022, we set a target to decrease our company-wide scope 1 and 2 emissions by 42% by 2030 from a base year of 2022. 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 starting from 2020. Anadolu Isuzu 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, 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 is also committed to SBTi. The company is currently at the development stage.

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

In 2022, Anadolu Isuzu's total emissions from Scope-1 and Scope-2 were 7,668.844 tons of CO2e. Within the scope of emission reduction targets, a 42% reduction is aimed in Scope-1 and Scope-2 emissions by 2030 compared to the base year of 2022. As a start to the reduction of GHG emissions of scope 2, solar energy panels are installed.

Anadolu Isuzu plans to reduce scope 2 emissions by increasing the use of renewable energy. Other emissions reduction initiative for Scope 1 is also studied at the company.

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

Target reference number

Abs 2

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

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 11: Use of sold products

Base year

2022

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

3,792,399.045

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

**Base year Scope 3, Category 15: Investments emissions covered by target
(metric tons CO2e)**

**Base year Scope 3, Other (upstream) emissions covered by target (metric tons
CO2e)**

**Base year Scope 3, Other (downstream) emissions covered by target (metric
tons CO2e)**

Base year total Scope 3 emissions covered by target (metric tons CO2e)
3,792,399.045

**Total base year emissions covered by target in all selected Scopes (metric
tons CO2e)**
3,792,399.045

**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, Category 1: Purchased goods and services emissions
covered by target as % of total base year emissions in Scope 3, Category 1:
Purchased goods and services (metric tons CO2e)**

**Base year Scope 3, Category 2: Capital goods emissions covered by target as
% of total base year emissions in Scope 3, Category 2: Capital goods (metric
tons CO2e)**

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not
included in Scopes 1 or 2) emissions covered by target as % of total base year
emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not
included in Scopes 1 or 2) (metric tons CO2e)**

**Base year Scope 3, Category 4: Upstream transportation and distribution
covered by target as % of total base year emissions in Scope 3, Category 4:
Upstream transportation and distribution (metric tons CO2e)**

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total 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

2030

Targeted reduction from base year (%)

25

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

2,844,299.28375

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, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

3,792,399.045

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

3,792,399.045

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

3,792,399.045

Does this target cover any land-related emissions?

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

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

0

Target status in reporting year

New

Please explain target coverage and identify any exclusions

Anadolu Isuzu is monitoring their GHG emissions. In 2022, we set a target to decrease our company-wide scope 3 emissions by 25% by 2030 from a base year of 2022. The target is set from the category 11: use of sold products, because this category is the most significant for Anadolu Isuzu which is an OEM. This target is company-wide, and covers 99.68% of total Scope 3 emissions. 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, Anadolu Isuzu 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, 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 is also committed to SBTi. The company is currently at the development stage.

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

In 2022, Anadolu Isuzu's total emissions from Scope 3 was 3,804,402.855 tons of CO2e. Within the scope of emission reduction targets, it is aimed to reduce Scope-3 emissions by 2.5% by 2030 compared to the base year of 2022. 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

12.85

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

82.5901038485

Target status in reporting year

Underway

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 51.26% improvement in specific waste consumption per vehicle compared to 2019 figures.

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 two years

Please explain target coverage and identify any exclusions

This target is company-wide and covers 99.68% 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

In 2022 TRY 57,852,444 was invested in the Solar Power Plants project. In 2023, a budget of TRY 23,535,207 was allocated for the 2nd stage Solar Power Plants project. In 2022, TRY 108,029,696 was spent on vehicle lightening, development of CNG and electric vehicle models in order to reduce emissions from the use of vehicles sold.

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 2022 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	1,049.31
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)

1,049.31

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

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

9,300,941

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

3,245,426

Payback period

<1 year

Estimated lifetime of the initiative

1-2 years

Comment

In 2022, 7 projects are conducted to reduce our electricity consumption. Among these projects, 1,088,000 kWh was saved by monitoring energy and working times with SCADA systems and bringing energy use to optimum levels, 104,940 kWh with more efficient UPS Replacement, 663,660 kWh with Vap Lighting, 12,961 kWh by switching Electric Motors from IE1 Motor to IE3 Motor, 21,420 Kwh by Preventing Vibration, 8,143 kWh by Periodically Eliminating Air Leaks.

C4.3c

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

Method	Comment
Dedicated budget for energy efficiency	In 2022, 7 projects were realized to reduce our electricity consumption. Among these projects, 1,088,000 kWh was saved by monitoring energy and working times with SCADA systems and bringing energy use to optimum levels, 104,940 kWh with more efficient UPS Replacement, 663,660 Kwh with Vap Lighting, 12,961 KWh by switching Electric Motors from IE1 Motor to IE3 Motor, 21,420 Kwh by Preventing Vibration, 8,143 KWH by Periodically Eliminating Air Leaks.

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

tCO₂e per heavy duty vehicle lifetime

Reference product/service or baseline scenario used

tCO₂e 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 CO₂e per functional unit) compared to reference product/service or baseline scenario

736.686

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, 2022 emissions factors database.

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

1.99

C5. Emissions methodology

C5.1

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

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

Change(s) in methodology, boundary, and/or reporting year definition?	
Row 1	No

C5.2

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

Scope 1

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO₂e)

4,242.626

Comment

N/A

Scope 2 (location-based)

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO₂e)

3,905.27

Comment

N/A

Scope 2 (market-based)

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO₂e)

3,426.217

Comment

N/A

Scope 3 category 1: Purchased goods and services

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO₂e)

5,144.227

Comment

N/A

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

The significant scope 3 category for an OEM is the use of sold products (category 11). Therefore, this category is not relevant to the Anadolu Isuzu.

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

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO₂e)

2,000.287

Comment

N/A

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO2e)

1,815.634

Comment

N/A

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO2e)

221.698

Comment

N/A

Scope 3 category 6: Business travel

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO2e)

1,009.284

Comment

N/A

Scope 3 category 7: Employee commuting

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO2e)

353.048

Comment

N/A

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

The significant scope 3 category for an OEM is the use of sold products (category 11). Therefore, this category is not relevant to the Anadolu Isuzu.

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO₂e)

396.519

Comment

N/A

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

The products of Anadolu Isuzu is not processed in the further steps. Therefore this category is not relevant.

Scope 3 category 11: Use of sold products

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO2e)

3,792,399.045

Comment

N/A

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

Base year start

January 1, 2022

Base year end

December 31, 2022

Base year emissions (metric tons CO2e)

1,063.112

Comment

N/A

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

The significant scope 3 category for an OEM is the use of sold products (category 11).
Therefore, this category is not relevant to the Anadolu Isuzu.

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

There are no franchises of Anadolu Isuzu.

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

There is no investments of Anadolu Isuzu in the reporting year.

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

The significant scope 3 category for an OEM is the use of sold products (category 11).
Therefore, this category is not relevant to the Anadolu Isuzu.

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

The significant scope 3 category for an OEM is the use of sold products (category 11).
Therefore, this category is not relevant to the Anadolu Isuzu.

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)
The Greenhouse Gas Protocol: Scope 2 Guidance
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

4,242.626

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 are reporting 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

Scope 2, location-based

3,905.27

Scope 2, market-based (if applicable)

3,426,218

Comment

N/A

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

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)

5,144.228

Emissions calculation methodology

Average data method

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

0

Please explain

Purchased goods and services have been calculated in ISO 14046-1 for Anadolu Isuzu. Emissions for purchased goods and services are obtained from Ecoinvent v3.7 and DEFRA, 2022

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

The significant scope 3 category for an OEM is the use of sold products (category 11). Therefore, this category is not relevant to the Anadolu Isuzu. However, data collection 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 CO2e)

2,000.288

Emissions calculation methodology

Fuel-based method

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

0

Please explain

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, 2022 emissions factors database. Calculation methodology is based on the GHG Protocol. 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)

1,815.634

Emissions calculation methodology

Distance-based method

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

0

Please explain

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, 2022 emissions factors database.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

221.698

Emissions calculation methodology

Waste-type-specific method

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)

1,009.284

Emissions calculation methodology

Distance-based method

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. Emission factors are obtained from DEFRA, 2022 emissions factors database.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

353.048

Emissions calculation methodology

Distance-based method

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. Employee commuting data was multiplied with the land travel emissions factors. Emission factors are obtained from DEFRA, 2022 Business Travel Land, average local bus option. emissions factors database.

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)

396.519

Emissions calculation methodology

Distance-based method

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. This category covered in Upstream transportation and distribution emissions. Emission factors are obtained from DEFRA, 2022 emissions factors database.

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)

3,792,399.045

Emissions calculation methodology

Average data method

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

0

Please explain

CO2 emissions per km and annual mileage information are calculated for all vehicles data. The amount of leakage caused by the air conditioning gas used by the vehicles throughout their lifetime was calculated. 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 2022. 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. Calculated by evaluating the gas capacity of the air conditioners of all vehicles and the lifetime of the vehicle.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,063.112

Emissions calculation methodology

Average data method

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

0

Please explain

2022 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 with Ecoinvent database and DEFRA 2022. The emissions factor dataset is given in Ecoinvent, as a used vehicle disposal scenario data. Used vehicle disposal scenario data is not available in Ecoinvent for some vehicle models. Disposal scenarios were created and emission factors were taken from Defra 2022.

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.

C6.7

(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

0.000001223

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

7,668.84

Metric denominator

unit total revenue

Metric denominator: Unit total

6,270,000,000

Scope 2 figure used

Market-based

% change from previous year

58.28

Direction of change

Decreased

Reason(s) for change

- Change in renewable energy consumption
- Other emissions reduction activities
- Change in revenue

Please explain

Our consolidated revenues increased by 234% in 2022 due to the fluctuations in currency. Scope 1+2 decreased by 2.32% year-over-year. Therefore, emission intensity per unit of total revenue decreased by 58.28%. The installation of solar energy panels was completed in 2022 and they are started to be used. In the last 4 months of the year, 29.4% of the electricity needed was provided by solar energy. Therefore, there was also a reduction in Scope 2 market based emissions figure.

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 CO2e)	GWP Reference
CO2	4,224.015	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	4.42	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	14.191	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

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

Country/area/region	Scope 1 emissions (metric tons CO ₂ e)
Turkey	4,242.626

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 CO ₂ e)
Anadolu Isuzu continues its activities with a single business division under the Anadolu group.	4,242.626

C7.3b

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

Facility	Scope 1 emissions (metric tons CO ₂ e)	Latitude	Longitude
Anadolu Isuzu continues its activities in Çayirova facility..	4,242.626	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 CO ₂ e)
Stationary Combustion	3,137.149
Mobile Combustion	713.224
Stationary Refrigerants	392.253

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 CO ₂ e	Comment
Transport OEM activities	4,242.626	N/A

C7.5

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

Country/area/region	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)
Turkey	3,905.27	3,426.218

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 CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)
Anadolu Isuzu continues its activities with a single business division under the Anadolu group.	3,905.27	3,426.218

C7.6b

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

Facility	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)
Anadolu Isuzu continues its activities in Çayirova facility.	3,905.27	3,426.218

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	3,905.27	3,426.218

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

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	3,905.27	3,426.218	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

0.00001

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

2,781,685.804

Metric denominator

t.km

Metric denominator: Unit total

407,978,180,071.17

% change from previous year

-38.08

Vehicle unit sales in reporting year

4,496

Vehicle lifetime in years

12

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

14,946.61

Load factor

6,071.104

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 emissions intensity figure.

Activity

Light Duty Vehicles (LDV)

Emissions intensity figure

0.0001

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

947,574.59

Metric denominator

t.km

Metric denominator: Unit total

12,997,025,104.06

% change from previous year

52.42

Vehicle unit sales in reporting year

1,922

Vehicle lifetime in years

12

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

6,009.37

Load factor

1,125.28

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 vehicle unit sales.

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?

Decreased

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 (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	479	Decreased	6.1	The installation of solar energy panels was completed in 2022 and they began to be used. In the last 4 months of the year, 31.9% of the electricity needed was provided by solar energy. SPP panels produced 1,088,759.33 kwh. When multiplied by the Turkish grid emission factor of 0.44, 479 tons of CO2e is reached. 2021 gross global emissions are 7,851.15 tons CO2e. The change in renewable energy consumption is calculated as follows: $479/7,851.15=6.10\%$.
Other emissions	325	Decreased	4.14	Reduction in Leakage Emissions has been achieved. 2021 leakage emissions are 717.32 tons of CO2e. 2022 leakage

reduction activities				emissions are 392.25 tons of co2e. The difference between the two years is 325.07 tons of co2e. 2021 gross global emissions are 7,851.15 tons of CO2e. The change in renewable energy consumption is calculated as follows: $325.07/7,851.15= 4.14\%$.
Divestment				N/A
Acquisitions				N/A
Mergers				N/A
Change in output	622	Increased	7.92	There is a decrease in tco2eq values compared to the previous year due to solar energy use and fugitive emissions. However, output is increased due to the fading effects of COVID-19. 622 tCO2e emissions are the result of change in output in the reporting year. Total scope 1 and 2 emissions in 2021 is 7.851,15 tCO2eq. The ratio of 7.92% has been calculated as follows: $622/7.851,15*100=7.92\%$
Change in methodology				N/A
Change in boundary				N/A
Change in physical operating conditions				N/A
Unidentified				N/A
Other				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?

Market-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	18,558.57	18,558.57
Consumption of purchased or acquired electricity		1,088.76	7,786.86	8,875.62
Total energy consumption		1,088.76	26,345.43	27,434.19

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

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

Comment

N/A

Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

Comment

N/A

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

Comment

N/A

Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

Comment

N/A

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

2,732.06

Comment

N/A

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

15,826.51

Comment

N/A

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

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

Comment

N/A

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

18,558.56

Comment

N/A

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

Turkey

Sourcing method

Purchase from an on-site installation owned by a third party (on-site PPA)

Energy carrier

Electricity

Low-carbon technology type

Solar

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

1,088.76

Tracking instrument used

Contract

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

Turkey

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

Yes

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

2022

Comment

The SPP was commissioned in September 2022. In September, October, November and December, 1088 mWh of electricity was used from SPP panels.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Turkey

Consumption of purchased electricity (MWh)

7,786.86

Consumption of self-generated electricity (MWh)

1,088.76

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

0

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

0

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

8,875.62

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

1.36

Metric numerator

MWh

Metric denominator

Production: Vehicle

Metric numerator: Unit total

2,621.68

Metric denominator: Unit total

1,922

% change from previous year

-14.7

Please explain

For the reporting year, the figure for Anadolu Isuzu is 1.36 MWh/vehicle. Previous year's realization was 1.60 MWh /vehicle. The metric numerator is the energy consumption of the Anadolu Isuzu. The energy used in total is 9% more than the previous year, the number of vehicles produced is also increased. This lead to a decrease of 14,7% in energy used per vehicle.

Activity

Heavy Duty Vehicles (HDV)

Metric figure

1.36

Metric numerator

MWh

Metric denominator

Production: Vehicle

Metric numerator: Unit total

6,132.71

Metric denominator: Unit total

4,496

% change from previous year

-14.7

Please explain

For the reporting year, the figure for Anadolu Isuzu is 1.36 MWh/vehicle. Previous year's realization was 1.60 MWh /vehicle. The metric numerator is the energy consumption of the Anadolu Isuzu. The energy used in total is 9% more than the previous year, the number of vehicles produced is also increased. This lead to a decrease of 14.7% 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

12.85

Metric numerator

Hazardous Waste Amount

Metric denominator (intensity metric only)

Vehicle

% change from previous year

0.78

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 0.78% improvement in specific waste consumption per vehicle when compared to the figures for the last year.

C-T09.3/C-TS9.3

(C-T09.3/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

0.49

Metric unit

% of total sales

Explanation

Anadolu Isuzu 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 market to low-carbon vehicles with the EU Green Deal action plans, especially for the European Market. An investment of 3,000,000 TRY has been completed to create an electric vehicle production infrastructure. Reduction of CO2 emissions of vehicles produced within the scope of Anadolu Isuzu R&D

		centre studies, electric vehicles, CNG vehicles, alternative fuel and connected vehicles are the priority issues. The budget allocated for R & D research for environmentally friendly vehicle production is 108,029,696 TRY 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.
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C-T09.6a/C-TS9.6a

(C-T09.6a/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

Battery electric vehicle

Stage of development in the reporting year

Pilot demonstration

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

28

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

3,000,000

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

35

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

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 TRY 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 2022 Yılı GHG Verification Statement.pdf

Page/ section reference

The calculated Scope 1 GHG emissions for the 2021 is 4,242. 63 tCO₂e . (page 2)

The greenhouse gas emission data (Scope 1, Scope 2 and Scope 3) for 2022 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 market-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 2022 Yılı GHG Verification Statement.pdf

Page/ section reference

The calculated Scope 2 GHG emissions for the 2022 is 3,426.22 tCO₂e . (page 2)

The greenhouse gas emission data (Scope 1, Scope 2 and 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 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

Reasonable assurance

Attach the statement

 ANADOLU ISUZU 2022 Yılı GHG Verification Statement.pdf

Page/section reference

The calculated Scope 3 GHG emissions for the 2022 is 3,804,402.85 tCO₂e .(page 2)
The greenhouse gas emission data (Scope 1, Scope 2 and Scope 3) for 2022 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?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

 ANADOLU ISUZU 50001 CERTIFICATE ENG.PDF

Disclosure module verification relates to	Data verified	Verification standard	Please explain

C8. Energy	Energy consumption	ISO 50001 Energy management system	Anadolu Isuzu's annual energy consumption, energy sources (natural gas, electricity, diesel fuel), key energy use points were verified. Energy management system scope, energy policy, energy targets and energy management action plans were examined by the auditor. In addition, the documents required by ISO 50001:2018 such as energy planning, risks & opportunities, management review, internal audit, energy review results were documented.
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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, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Description of strategy for complying with the system in which company anticipates to participate in: Anadolu Isuzu follows emerging regulations all over the world related to climate change, as the company sells products globally. European Green Deal and ETS has been a close example of how the carbon pricing system will emerge in automotive sector. Also, Turkey has updated its INDC to an NDC to start its race to net zero. Following the global developments and Turkey's new plans, Anadolu Isuzu anticipates being regulated by a system. To comply with this, and also to mitigate, Anadolu Isuzu started producing electric vehicles and low carbon vehicles. Therefore, even when fossil fuel consuming vehicles will result in higher carbon taxes, the company will shift and support its consumers to use these low carbon/electric vehicles.

Other strategy is to mitigate corporate carbon footprints year by year. Anadolu Isuzu is committed to SBTi and currently in its 2 year-development process.

Identification of when the company anticipate being regulated in the next 3 years: Turkey has updated its NDC, following the ratification of Paris Agreement in 2021. Considering the planning developments, regulation can start by the end of these 3 years. However, it may take more than 3 years to finalize carbon pricing systems.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

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.

Type of internal carbon price

Shadow price

How the price is determined

Alignment with the price of allowances under an Emissions Trading Scheme

Alignment with the price of a carbon tax

Objective(s) for implementing this internal carbon price

Identify and seize low-carbon opportunities

Scope(s) covered

Scope 1

Scope 2

Pricing approach used – spatial variance

Uniform

Pricing approach used – temporal variance

Static

Indicate how you expect the price to change over time

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)

3,000

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)

5,000

Business decision-making processes this internal carbon price is applied to

Capital expenditure

Operations

Product and R&D

Risk management

Mandatory enforcement of this internal carbon price within these business decision-making processes

No

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

Anadolu Isuzu is improving its internal carbon pricing mechanism to reach best practice possible every year. A carbon value of 100-150 EUR (corresponds to 3000 - 5000 TRY approximately) per tonne of carbon dioxide is added to the feasibility reports when making new investment decisions, one example being the SPP project conducted in 2022. 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. Anadolu Isuzu procures renewable energy directly to meet the energy efficiency and greenhouse gas emission reduction targets, as a result of the decision made using the carbon pricing system.

A variation of 100-150 EUR (corresponds to 3000 - 5000 TRY approximately) per tonne of carbon has been used in our new investments feasibilities as well. 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.

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

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

26

% total procurement spend (direct and indirect)

41

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

60

Rationale for the coverage of your engagement

Rationale for the coverage of engagement:

Products of Anadolu Isuzu have significant carbon footprints with materials used in the production and in the use phase of products. Anadolu Isuzu calculates purchased goods and services in its annual carbon footprint calculations.

For these reasons, Anadolu Isuzu engage with these 262 suppliers.

Anadolu Isuzu stated using IMDS system to increase efficiency of the engagement, where suppliers are answering about compositions of the materials Anadolu Isuzu purchased from them. An educational training is given to the suppliers on how to use IMDS and why the compositions are important (climate change-wise), and information-sharing meetings are held with these suppliers.

Accordingly, Anadolu Isuzu wisely selects the materials it uses, and never uses banned materials or a good that involves a banned material.

Impact of engagement, including measures of success

Description of measures of success which includes a threshold: Success of an engagement is measures with interaction rate that is at least 90% (threshold). 100% compliance with the regulatory standards with no banned substance is the second threshold for measurement of success.

Description of the impact of climate-related supplier engagement strategy according to the measure of success chosen providing examples: Anadolu Isuzu calculates purchased goods and services in its annual carbon footprint calculations.

Impact 1: Carbon footprint changes according to the purchased goods.

Impact 2: Engagement and interaction increase awareness among value chain of Anadolu Isuzu.

Impact 3: Anadolu Isuzu complies with regulatory standards avoiding banned substances.

For example both in 2021 and 2022, Anadolu Isuzu conducted a successful engagement according to the defined measures with its suppliers.

Comment

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 highest share of the GHG 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 according to the measure of success chosen: In sectoral context, use of sold products creates the highest share of the GHG 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). They made all the production lines suitable for electric vehicle production and produced our first electric vehicle model, the NovoCiti Volt, in 2021. NovoCiti Volt is awarded in German Design Awards in 2022. Another electric vehicle model, Big.e, is developed in 2022. In this context, Anadolu Isuzu's 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. Anadolu Isuzu 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. The company 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. Anadolu Isuzu moved all training programs to the digital platform. Anadolu Isuzu 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 to minimize the environmental impacts arising from its activities. Anadolu Isuzu engages 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, they continue to work in social, economic, and environmental fields with other stakeholders such as universities, NGOs, financial institutions, sectoral unions and organizations, group companies and the media.

In 2022, a QR code was added to the waste bins within the scope of the digital zero waste system in the Offices. Thanks to this infrastructure, the recycling movements among the employees were improved. Employees are rewarded if they correctly sort their waste using QR codes.

Anadolu Isuzu R&D Center continues to collaborate with METU, ITU, Koç University, Sabancı University, Okan University, Gebze Technical University, Gazi University, Dokuz Eylül University, Izmir Institute of Technology, Yildiz, which are among the leading universities in Turkey within the scope of the development of environmentally friendly vehicles. Within the scope of the projects developed with these institutions, there is the opportunity to work with academics who are experts in their fields.

Kaizen is a philosophy of continuous improvement. With Kaizen (Continuous Improvement) studies, one of the important steps of the IM (Isuzu Monozukuri) System, improvement and projects are implemented with the aim of efficiency. In Kaizen project studies, taking the ideas of employees at all levels and involving them in the process is an important element to produce effective and permanent solutions and the sustainability of the application. Anadolu Isuzu Technical Directorship has adopted the Kaizen philosophy since its establishment; employees have contributed significantly to improvement of projects. Climate-related efficiency was achieved in 802 Kaizen applications made in 2022.

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

Setting a science-based emissions reduction target

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.

In 2023, requirement of setting a science-based target is added to the contracts. If a supplier cannot comply with this requirement, Anadolu Isuzu will retain and continue to engage.

% 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

Contracts

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

Retain and engage

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

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers


Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may 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)

 31_Aralik_2022_Tarihli_Faaliyet_Raporu.pdf

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

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 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. Anadolu Isuzu is committed to SBTi and is in the process of developing a target.

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?

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 The Turkish Industry and Business Association, known as TÜSİAD (Türk Sanayicileri ve İş İnsanları Derneği in Turkish), Automotive Industry Association (OSD), and the Foreign Economic Relations Board (DEİK) 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 The Turkish Industry and Business Association(TÜSİAD).

Category of policy, law, or regulation that may impact the climate

Carbon pricing, taxes, and subsidies

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

Carbon taxes
Emissions trading schemes

Policy, law, or regulation geographic coverage

National

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

Turkey

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. Additionally, Anadolu Isuzu participated in the panel held by TUSIAD to contribute to the improvement of carbon-pricing mechanisms and issues. Anadolu Isuzu also attended to the “Green Agreement from an Industry Perspective” event to discuss the effects of regulations such as the EU Green Deal Industry Plan, the Net Zero Industry Law and the Eco-Design Regulation for Sustainable Products on the Turkish industry.

As of 2014, Anadolu Isuzu 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 2022 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 on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

Anadolu Isuzu operates in a carbon intensive sector which is likely to be exposed to the emerging taxes and regulations. Engagement with policymakers in such subjects is important for Anadolu Isuzu to achieve its climate transition plan as understanding sectors position and situation enables them to improve its road map of Net Zero. It is central to the achievement of company's transition plan.

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.

Category of policy, law, or regulation that may impact the climate

Climate change mitigation

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

Renewable energy generation

Policy, law, or regulation geographic coverage

National

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

Turkey

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 completed the installation of the solar power plant on the roofs of its modern production facilities in Çayırova in 2022. The facility's capacity is planned to be increased in 2023. 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 on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

Renewable energy generation, increasing renewable energy share in grid's mix and installing more renewable energy power plants are important to complete renewable energy transition and decrease energy emissions. Ministries and Anadolu Isuzu follows pathways to accomplish energy transition. Receiving and giving opinion on these subjects is important for Anadolu Isuzu to achieve its climate transition plan as understanding risks and opportunities that come along the transition pathway enables them to improve its road map of Net Zero. It is central to the achievement of company's transition plan.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or 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 policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

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. Environmental & Sustainability Supervisor of Anadolu Isuzu served as chairman of the environmental committee in 2019 and 2020. Anadolu Isuzu currently participates in both Environmental Committee and Energy Committee.

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

265,000

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

Trade association

Other, please specify

Turkish Industry and Business Association (TUSIAD)

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

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

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, followup 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 (currency as selected in C0.4)

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 or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding

Automotive Manufacturer Association (OSD)

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

265,000

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

 2021 Sustainability Report.pdf

 31_Aralik_2022_Tarihli_Faaliyet_Raporu.pdf

Page/Section reference

Governance: pdf page 16, 20, 98:100, 157, 158
 Strategy: pdf page 16, 21, 69, 98:100, 157, 162
 Emissions targets: pdf page 99, 100
 Other metrics: pdf page 98:107, 159
 Risks and Opportunities: pdf page 157, 159, 160

Content elements

Governance
 Strategy
 Risks & opportunities
 Emission targets
 Other metrics

Comment

2021 Sustainability Report is also attached for more information. 2022 Sustainability Report is underway.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization’s role within each framework, initiative and/or commitment
Row 1	Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact	<p>UN Global Compact: Anadolu Isuzu is a member of UN Global Compact. It is a pact to adopt sustainable models both environmentally and socially, act against climate change. Labor, anti-corruption and human right are also the subjects of the pact. It has working groups that the member companies work under, together sharing know-hows. Anadolu Isuzu engages with UN global Compact to integrate sustainability in its business model and undertakes a leading role in its sectors.</p> <p>TCFD: Anadolu Isuzu is a supporter of Task Force on Climate Related Financial Disclosures (TCFD) as of 2022. Integrating climate change action into the strategy and working strongly against it comes with financial disclosures that a company should study and analyse. TCFD is a framework revolves around financial disclosures that has 11 recommendations to companies to handle climate crisis best way possible. Anadolu Isuzu sustainability studies also follow TCFD Recommendations. TCFD reporting is on Anadolu Isuzu’s agenda for the coming years.</p>

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	<p>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 Nations Convention on Biological Diversity. A project has been launched to protect the Anatolian ground squirrel (<i>Spermophilus xanthoprymnus</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</p>

		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.
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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 impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations

Tools and methods to assess impacts and/or dependencies on biodiversity

Other, please specify

Environmental Impact Assessment

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

When starting a project, Environmental Impact Assessment (EIA) report is submitted to the Ministry to determine the positive and negative effects of the projects planned in Anadolu Isuzu's production facility.

It is crucial to obtain the necessary permits, to comply with the measures aimed at maintaining the ecological balance, protecting, and improving the environment.

The purpose of the EIA; is to protect environmental values against economic policies without hindering economic and social development, to determine in advance all the negative environmental effects that a planned activity may cause and to ensure that the necessary measures are taken.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations

Tools and methods to assess impacts and/or dependencies on biodiversity

Other, please specify

Environmental Impact Assessment

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

When starting a project, Environmental Impact Assessment (EIA) report is submitted to the Ministry to determine the positive and negative effects of the projects planned in Anadolu Isuzu's production facility.

It is crucial to obtain the necessary permits, to comply with the measures aimed at maintaining the ecological balance, protecting, and improving the environment.

The purpose of the EIA; is to protect environmental values against economic policies without hindering economic and social development, to determine in advance all the negative environmental effects that a planned activity may cause and to ensure that the necessary measures are taken.

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

Yes

C15.4a

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area

Key Biodiversity Area (KBAs)

Country/area

Turkey

Name of the biodiversity-sensitive area

Proximity

Up to 5 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

Anadolu Isuzu's production facility is located in Şekerpınar, Kocaeli, Turkey. The production takes place near a sensitive area, according to KBA.

Anadolu Isuzu assesses its environmental impact including biodiversity especially where the production facility is. Habitats (land, air, water) are protected with the physical controls Anadolu Isuzu conducts.

Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Physical controls

Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Wastewater, waste and air pollutants arising from production operations are analysed according to the parameters specified in the regulations.

The wastewater generated during the operations is treated at the wastewater treatment plant in the factory and discharged to the sewer. After the sewage, it is treated again at the ISKI Advanced Biological Treatment Plant and discharged to the seas. As Anadolu Isuzu, we have not encountered a situation that negatively affects aquatic life. The legal limits specified for Vehicle Factories (Factories Producing Automobiles, Trucks, Tractors, Minibuses, Bicycles, Motorcycles and Similar Vehicles) and water pollution control regulation table 18.2, published by the Ministry of Environment, Urbanization and Climate Change of Turkey, are complied.

To prevent air pollution within the sphere of influence of our enterprise, measurements are made every 2 years at the parameters specified by the Industrial Air Pollution Control Regulation. The pollutant parameters coming out of the chimneys are measured and are below the legal limits.

C15.5

(C15.5) 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 Education & awareness

C15.6


(C15.6) 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
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Row 1	No, we do not use indicators, but plan to within the next two years	
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C15.7

(C15.7) 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 mainstream financial reports	Content of biodiversity-related policies or commitments Governance Impacts on biodiversity	2021 Sustainability Report is also attached for more information. 2022 Sustainability Report is underway. https://www.anadoluisuzu.com.tr/_docs/31_Aralik_2022_Tarihli_Faaliyet_Raporu.pdf Mainstream Report Page 94, 98  1, 2

 1 2021 Sustainability Report.pdf

 2 31_Aralik_2022_Tarihli_Faaliyet_Raporu.pdf

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.

NA

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

Please confirm below

I have read and accept the applicable Terms