TEMSA Skoda Sabancı Transportation Vehicles Inc.

Environmental Policy

Our goal is to manufacture high-quality products that our customers can use with confidence, without causing harm to people or the environment.

Everyone working for TEMSA at our facility or affected by our activities is responsible for ensuring the proper implementation of our Environmental Processes by exercising due care.

In our operations, we will continue to minimize the environmental and human health impacts of our activities by adopting environmentally friendly technologies that pose no risks, reducing waste, emissions, and discharges through recycling and recovery practices, and using energy efficiently.

We will:

- Systematically manage our operational activities to continuously reduce environmental risks and improve our performance.
- Comply with all applicable Environmental legal requirements, company policies, and procedures.
- Continuously improve our Environmental Performance and maintain it at the highest possible level.
- Recognize and appreciate those who contribute to the improvement of our Environmental performance.
- Continuously advance our Environmental Performance by developing our organization's leadership, capacity, and capabilities.
- Set measurable targets for our environmental plans and adopt a solution-oriented approach.
- We all commit to achieving these goals.

With our vision of “Together on the Sustainability Journey,” we commit to continuously monitoring and improving our environmental management system, protecting the environment and human health, minimizing our environmental impacts, developing sustainable products, and continuously advancing and improving our environmental sustainability initiatives through our efforts in waste and water management, biodiversity conservation, climate action planning, and the circular economy. In line with the Paris Agreement, we continuously develop and improve our environmental sustainability initiatives. Through our policies, practices, stakeholder engagement, and activities supporting policymaking processes, we contribute to the achievement of the Sustainable Development Goals (SDGs). We prioritize waste and water management in support of SDG 6: Clean Water and Sanitation; focus on biodiversity conservation, contributing to SDG 15: Life on Land; develop climate action plans in line with SDG 13: Climate Action; and adopt sustainable consumption and production practices, including the circular economy, in support of SDG 12: Responsible Consumption and Production. Through these efforts, we support progress towards global climate action, sustainable resource use, and the well-being of ecosystems and communities.

OUR COMMITMENTS

- TEMSA is committed to reducing its absolute Scope 1 and Scope 2 greenhouse gas emissions by 68.6% by 2030, compared to the 2021 baseline year. TEMSA is committed to reducing its absolute well-to-wheel Scope 3 greenhouse gas emissions arising from the use of sold buses and minibuses by 42%, and its emissions per passenger-kilometer (pkm) by 59.6%, compared to the 2023 baseline year.
- TEMSA is committed to reducing its absolute Scope 1 and Scope 2 greenhouse gas emissions by 90% by 2050, compared to the 2021 baseline year.
- TEMSA is committed to reducing its Scope 3 greenhouse gas emissions per passenger-kilometer (pkm) arising from purchased goods and services and the use of sold products by 97% by 2050, compared to the 2023 baseline year.
- TEMSA is committed to achieving net-zero greenhouse gas emissions across its value chain by 2050.
- By 2030, selected products will be designed in accordance with circular economy principles, including durability, repairability, and circular material composition.
- In line with our circular economy goals, we aim to achieve a 50% circular material flow by 2050.
- We are committed to reducing water withdrawal per equivalent bus by 42%, compared to the 2022 baseline year.
- We are dedicated to preventing water pollution by monitoring potential sources and continuously seeking solutions to eliminate adverse impacts on water resources. We integrate best practices into our operations, invest in clean technologies, and collaborate with our stakeholders to protect water quality for the benefit of the environment and society.
- We are committed to maintaining 100% access to safely managed drinking water and sanitation services for all our employees, ensuring the continuous availability of handwashing facilities with soap and water. Additionally, we continue to provide regular hygiene training to promote good practices and monitor employee participation in these programs.
- We are committed to achieving our zero-waste target by 2045 and gradually phasing out disposal methods such as landfilling and incineration.
- We are dedicated to gradually reducing the use of hazardous substances in our operations and exploring opportunities to phase them out wherever possible. We aim to continue adopting safer alternatives in accordance with international standards and working with our stakeholders to continuously minimize potential risks to human health and the environment.
- By 2030, we aim to improve environmental and social performance across our supply chain and promote emissions reductions among our logistics and other operational contractors (operational stakeholders).
- We aim to ensure that 100% of our product portfolio consists of zero-emission vehicles by 2040.
- In line with our Climate Action Plan, we aim to increase our energy efficiency and achieve 100% renewable energy use through renewable energy initiatives and collaborations focused on energy efficiency.
- We are committed to focusing on the protection, restoration, and enhancement of habitats and all species, particularly endangered and endemic species, and to sustainably managing our impacts on biodiversity. We are dedicated to focusing on the protection of habitats and all species, particularly endangered and endemic species, and to working towards habitat improvement and restoration, where relevant and applicable, in order to sustainably manage our impacts on biodiversity.
- We are committed to ensuring full compliance with all applicable environmental laws, regulations, and mandatory standards within our scope. We integrate these requirements into

our business processes, closely monitor regulatory changes, and take proactive steps beyond compliance to ensure that our operations consistently meet or exceed legal and industry expectations.

- We are committed to refraining from denying climate change, supporting activities that oppose climate action, or providing financial support to

such activities.

TEMSA ENVIRONMENTAL POLICY AND STAKEHOLDER ENGAGEMENT

As part of its commitments to achieving the targets set out in its Environmental Policy, TEMSA aims to contribute through the involvement of its employees, suppliers, customers, and all other stakeholders, and therefore encourages their active participation.

To this end;

Management system practices are used to monitor this process, encourage employees to contribute to TEMSA's Environmental Policy, and evaluate their contributions.

We monitor our suppliers' commitment to Sustainability Principles and their adoption of an environmentally responsible approach to the provision of services and materials through regular "Supplier Evaluation Surveys" and audits conducted by independent external audit organizations. By 2040, we aim to maximize the resource efficiency of the materials used in our products, transition to a circular economy model, and collaborate with our stakeholders throughout this process.

We consider our commitment to customer health and safety a core value and reflect this commitment in all our business processes and decisions. The health and safety of our customers are a priority at every stage of our products and services, from design and manufacturing to distribution and use.

We continuously strive to minimize the release of pollutants into the environment, including SOx, NOx, VOCs, PM, dust, and hazardous gases. Pollutants are regularly measured and monitored.

We use technological advancements and best practices to minimize noise generated during the operation of our buses. Our goal is to preserve the peace of our local community.

We develop and implement regular maintenance and cleaning procedures to ensure effective odor control. Our aim is to prevent odor pollution in our surrounding area.

We upgrade our lighting systems to smart, energy-efficient technologies. This helps us minimize light pollution.

We implement effective route planning and bus fleet management for our shuttle services to minimize traffic congestion and its associated environmental pollution. We aim to improve air quality by reducing traffic congestion.

We implement recycling programs for bus parts and materials that have reached the end of their service life or have been returned. These programs help reduce waste and conserve natural resources. Our aim is to increase the recycling of unusable parts and continuously improve these processes.

We develop strict procedures for the proper collection, transportation, and disposal of waste bus parts. Waste management is closely monitored to prevent environmental pollution and the waste of resources.

We encourage our other stakeholders to take action in line with TEMSA's Environmental Policy and our Sustainability Approach, continuing our efforts to protect the environment and remedy the environmental damage we cause.

We are part of this World, and our World's resources are limited. We are committed to proactively identifying environmental risks and planning the necessary preventive actions across all areas, from material and resource procurement to energy efficiency, recovery, and environmental emergency assessments. As part of these commitments, we have carried out initiatives in energy efficiency, efficient water use, waste management and the circular economy, equality and inclusion, and social benefit. We continue to pursue these efforts in collaboration with universities and civil society organizations.

The foundation of TEMSA's Climate Change Strategy encompasses a broad framework, ranging from reducing greenhouse gas emissions from TEMSA's manufacturing operations to reducing emissions from logistics and suppliers. As part of our Climate Action Plan, we also aim to contribute to the environment through awareness-raising initiatives and training programs.

TEMSA's environmental sustainability priorities and commitments include monitoring developments, scientific research, and technologies related to environmental management; carrying out collaborative initiatives with national and international organizations working on environmental issues; implementing legally required environmental standards in our products and all business processes; aiming to monitor and control the environmental impacts of our products throughout their life cycle; and designing and manufacturing environmentally friendly products that are more efficient in terms of energy and water consumption, durable, repairable, and recyclable.
We strive to raise awareness and encourage action on environmental sustainability by providing training to our employees, business partners, and stakeholders. We also endeavor to continue working with all stakeholders within our ecosystem to anticipate environmental risks, take preventive measures, and plan the necessary actions accordingly.

TEMSA ENVIRONMENTAL POLICY: RESPONSIBILITY, MONITORING, AND AUDITING

The responsibility for preparing and monitoring TEMSA's Environmental Policy lies with the TEMSA Management Committee (TMC), which reviews and updates the policy as necessary.
The Procedures outlining the implementation principles of TEMSA's Environmental Policy are shared with stakeholders through the TEMSA Policies and Procedures document. In this regard, we are committed to communicating openly and transparently with our stakeholders on environmental matters and strengthening their capacity to take action for sustainability. We focus on building partnerships, supporting capability development, and encouraging active participation to drive meaningful progress across our entire value chain.

We prepare our environmental and climate change reports in accordance with international standards. We ensure that the data we disclose to the public is audited by independent organizations.
As part of TEMSA's Environmental Management System, we integrate our environmental management system into our business processes. We certify the implementation of our management system processes through ISO 14001, ISO 14064, ISO 14046, ISO 9001, ISO 45001, ISO 50001, and ISO 27001 certifications.
You can learn more about our environmental sustainability initiatives through our Sustainability Report, Climate Action Plan, and CDP Climate Change Report.