C0. Introduction

C0.1

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

Since 1987, we have maintained an annual production capacity of more than 10 thousand vehicles; we have mainly produced public transportation vehicles while offering our customers advanced technology mobility solutions.

TEMSA, established in Adana in 1968, is one of the leading buses and midi-buses manufacturers in Turkey and globally, with more than 53 years of experience. We have a total production capacity of over 10 thousand vehicles, including 4,000 buses and midi-buses and 6,000 light trucks (annual/ single shift). We have also restructured our international network under the umbrella of the Sabancı Group and Skoda Group.

We are based in 66 countries and have developed approximately 66,000 vehicles with 100 percent Turkish engineering.

We have substantially increased our domestic and international market share with the environmentally friendly and smart mobility solutions we have developed. We conduct our overseas operations from three countries, with offices in the US, France, and Germany. We export the vehicles we produce to European countries such as France, Germany, the United Kingdom, Italy, Austria, and Sweden, as well as the United States and various Turkic states. Today, TEMSA vehicles operate in 66 countries, mainly in the US and Europe. In addition, we provide sales, after-sales services, service and spare parts services to our overseas customers. In Turkey, we continue our activities through our head office in İstanbul and our factory in Adana, with nine dealers in the bus segment and 22 in the light truck segment.

We produce light trucks as well as public transportation vehicles such as buses and midi-buses. We also manufacture batteries and battery packs for electric buses in our facility, which we started selling for the first time in 2020.We develop, manufacture, and export the batteries and battery packs used in our electric vehicles at our facilities in Adana.

We support our customers also during the after-sales process and provide them with various after-sales services to ensure a high-quality customer experience. In addition, we regularly update our product and service portfolio, bearing in mind changing conditions and evolving global trends. In 2025, we expect 50 percent of our total city bus production capacity to consist of alternative fuel vehicles. Although no new vehicles were introduced into the market in 2021, R&D studies for four new vehicles, three of them electric, continued as planned.

At TEMSA, as a people-oriented technology company that offers sustainable mobility solutions, our ambition is for 50 percent of the vehicles we manufacture in the city bus segment, to employ alternative fuel, and to bring our greenhouse gas emissions to net zero by 2050, with the support of our increasing circular business model practices.

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

Select the number of past reporting years you will be providing Scope 1 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for
<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.
France
Germany
Turkey
United States of America

C0.4

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

C0.5

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

C-TO0.7/C-TS0.7

(C-TO0.7/C-TS0.7) For which transport modes will you be providing data?
Light Duty Vehicles (LDV)
Heavy Duty Vehicles (HDV)

C0.8

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

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
No	<Not Applicable>

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 Chair	Climate-related responsibilities Chairman of Board has the highest responsibility for climate-related issues in TEMSA. Our Board Chairman is responsible for directing sustainability initiatives in accordance with internal and external stakeholder expectations, and leading the way in determining policies and strategies in terms of climate related issues. With the support of our Board of Directors, our Chairman is responsible for: - Reviewing and guiding our climate strategy - Reviewing and guiding annual sustainability budgets - Overseeing major capital expenditures - Overseeing acquisitions, mergers and divestitures - Reviewing innovation/R&D priorities - Overseeing and guiding employee incentive mechanisms - Overseeing the setting of and progress towards our climate-related targets Some examples of major climate-related decisions led by TEMSA's Chairman of Board in 2022: We have pledged to the Science Based Targets initiative by calculating emissions from our activities and products according to the 1.5-degree scenario. We have made a commitment to the Turkish Business Council of Sustainable Development Business Plastics Intiative. By 2024, we aim to eliminate the consumption of single-use plastics in certain categories. TEMSA has become a UN Global Compact signatory. TEMSA aims to make its social, economic, and environmental commitments more systematic by joining the UN Global Compact.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing innovation/R&D priorities 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 and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Overseeing value chain engagement Reviewing and guiding the risk management process	<Not Applicable>	TEMSA's Board of Directors meets 4 times per year. Our Board Chairman, having the highest level of responsibility in climate-related issues in TEMSA, is informed by our CEO who also participates in our Board Meetings and is responsible for informing the Board on climate-related issues. Climate-related issues are a scheduled agenda item for all of our Board meetings. The below subjects are regular agenda items in all of the Board's meetings: - Progress towards our climate-related targets - Progress on climate-related R&D projects - Reviewing our climate-related strategies and compliance of our strategies with current and emerging regulation - Reviewing our climate-related risks and opportunities - Implementation of our climate-transition plan An example from 2022: The main sustainability metrics are monthly reported to both The Transformation Leadership Team (TLT) and TEMSA Management Committee (TMC). The metrics are used to calculate the sustainability score are followed under 11 subheadings in 4 main groups. These main groups consist of environmental, social, OHS, and economic indicators. Sustainability metrics are also presented to the TEMSA'S Board of Directors and Sustainability Committee.

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	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	Board member(s) competence of climate-related issues assessment criteria enhance with developments of sustainability needs of TEMSA in terms of climate action, therefore the assessment criteria are developed in line with these needs. Board member(s) are currently assessed according to their experience in developing strategic approaches, determining the roadmap and setting targets in subjects such as emission reductions, waste management, water management, renewable energy alternatives and sustainable mobility solutions. Currently we have one Board Member who has the above-mentioned experience. Our Board Chairman is also a Board Member of TUSIAD, which is one of the leading organizations in Turkey, aiming to create a social cohesion based on the competitive market economy, sustainable development and participatory democracy. TUSIAD includes various focus areas and related working roundtables. Our Board Chairman is the leader of Energy, Environment and Climate roundtable. As the leader of this roundtable, Energy, Environment and Climate Change roundtable which aims to contribute to embedding sustainable development principles and to the environmental protection and spreading out the principles of low carbon economy into business practices. Based on his expert knowledge, he leads determination of sustainability governance and roadmap, development of strategic approaches, determination of sustainability targets within TEMSA.	<Not Applicable>	<Not Applicable>

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)
Providing climate-related employee incentives
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

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

Please explain
Our CEO is the highest management-level responsible in TEMSA. Our CEO is responsible for directing sustainability initiatives, and leading the way in determining policies and strategies in terms of climate related issues. CEO attends all Board meetings which are held four times a year.

All of the climate-related responsibilities listed under column “Climate-related responsibilities of this position” is given to our CEO as he is the highest management-level position in TEMSA. Our CEO is responsible for informing the Board on climate-related issues and he is informed on climate related issues by the Sustainability Committee.

The Sustainability team reports to the Sustainability Committee and the CEO, who is the Chairman of Sustainability Committee. The KPI’s determined for monitoring of climate related issues are regularly reported to CEO, The Transformation Leadership Team (TLT) and TEMSA Management Committee (TMC) every month.

Position or committee
Sustainability committee

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)
Providing climate-related employee incentives
Developing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

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

Please explain
Sustainability Committee conduct studies focused on sustainability strategy and meets at least four times a year.

Sustainability Committee includes different units within the company to manage sustainability issues effectively. Committee chair is CEO. Principal members are General Manager (CEO), Deputy General Manager of Financial Affairs (COO), Deputy General Manager of Financial Affairs (CFO), Deputy General Manager of Human Resources and Information Technologies (CHRO), Deputy General Manager of Sales and Marketing (CSMO), Deputy General Manager of R&D and Technology (CTO), TEMSA North America (TNA) Director, TEMSA France (TFR) Director, Deputy of After Sales Services and Corporate Communication Manager. Focus teams supporting the Committee in terms of climate and environment, human resources, sustainable business model and value chain functions and include employees from departments such as Maintenance and Repair, Administrative Affairs, Environment, Occupational Health and Safety, R&D, Production, Legal Consultancy, Human Resources, Quality, and Information Technologies. In addition, the Sustainability Committee monitors the necessary work for the realization of the Sustainability Roadmap approved by the Board of Directors and the CEO. In the committee meetings held four times a year, depending on the agenda, relevant stakeholders also attend by invitation in addition to the 10 Principal Members. The committee also benefits from the opinions of experts when necessary.

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	Perfx (Performance Management Application), which consists of three steps: goal setting, continuous performance, and year-end evaluation, in which we impartially evaluate employees’ performances. In line with their performance results, we offer employees high-quality career development plans so they can reach their full potential and we support them with training. The results of the performance management application also provide input when it comes to the remuneration process.

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
Board Chair

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Board approval of climate transition plan
Shareholder approval of climate transition plan
Achievement of a climate-related target

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
Climate related issues are included in the Perfx system with various percentages. For the Chairman of our Board, climate related issues constitute 4% to 8% of the performance score that affects the bonus. In line with the performance results, the bonus percentage is earned.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
This incentive is related to our GHG emission reduction target Abs 1 and our Net Zero 2050 target.

Entitled to incentive
Chief Executive Officer (CEO)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Reduction in absolute emissions
Increased share of revenue from low-carbon products or services in product or service portfolio

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
Climate related issues are included in the Perfx system with various percentages. For CEO, climate related issues constitute 4% to 8% of the performance score that affects the bonus. In line with the performance results, the bonus percentage is earned.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
This incentive contributes to the achievement of our Abs1 short-term emission reduction target and our Net Zero 2050 target as it is linked to KPIs that are closely related to achievement of emission reductions.

Entitled to incentive
Chief Operating Officer (COO)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
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 absolute emissions
Energy efficiency improvement
Increased share of renewable energy in total energy consumption

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
Climate related issues are included in the Perfx system with various percentages. For COO, climate related issues constitute 4% to 8% of the performance score that affects the bonus. In line with the performance results, the bonus percentage is earned.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
This incentive contributes to the achievement of our Abs1 short-term emission reduction target and our Net Zero 2050 target as it is linked to KPIs that are closely related to achievement of emission reductions.

Entitled to incentive
Procurement manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Achievement of a climate-related target
Increased engagement with suppliers on climate-related issues
Increased supplier compliance with a climate-related requirement
Increased value chain visibility (traceability, mapping, transparency)

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
This position is Procurement Director, however as there is no such option in the CDP online response system, Procurement Manager is selected. Climate related issues are included in the Perfx system with various percentages. For the Procurement Director, climate related issues constitute 4% to 8% of the performance score that affects the bonus. In line with the performance results, the bonus percentage is earned.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
In 2022 we have committed to SBTi, within the scope of this commitment we will also be required to set targets on our supply-chain related emissions, therefore this incentive will contribute to the setting and achievement of our Scope 3 targets.

Entitled to incentive
Environment/Sustainability manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Achievement of a climate-related target
Reduction in absolute emissions
Energy efficiency improvement
Reduction in total energy consumption
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
The performance card of the sustainability manager in the Perfx system includes the following items:
Decarbonization projects, transition to renewable energy, long-term planning of emission reduction targets, participation in sustainable validation processes and improvement studies, publication of the sustainability report, increasing the sustainability score obtained from the sustainability metrics tracked monthly within the company, making social sustainability projects (e.g. TEMSA ART), planning and structuring of the sustainability committee. Given climate related issues are included in the Perfx system with various percentages. In line with the performance results, the bonus percentage is earned.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
This incentive is linked to our GHG emission reduction targets and our 2050 Net-Zero target.
Performance indicators include Scope 1 and Scope 2 reduction, achievement of internal company targets in water consumption, energy consumption and monitoring of sustainability validation processes. By the achievement of the given performance indicators, bonus is earned.

Entitled to incentive
All employees

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Achievement of a climate-related target
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Reduction in total energy consumption

Incentive plan(s) this incentive is linked to
Not part of an existing incentive plan

Further details of incentive(s)
TEMSA Dreamers is a platform for employees to freely express and implement their ideas using an agile approach, with the potential to be rewarded based on the success of their projects. These projects can be related to climate-related issues like emissions reduction, energy efficiency, reducing energy consumption. At the successful realization of each project, 5% of one year's earnings is distributed equally to the employees who worked in the team responsible if they are still employed at the company.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
This incentive is linked to our GHG emission reduction targets and our 2050 Net-Zero target.
The platform, which contributes to the realization of projects in various fields such as sustainability, also contributes to raising the sustainability awareness of the employees.

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	1	Given time horizons are defined for TEMSA's sustainability roadmap short-term, medium-term, and long-term targets, and they can vary for other departments in terms of strategy, policy, etc.
Medium-term	1	5	Given time horizons are defined for TEMSA's sustainability roadmap short-term, medium-term, and long-term targets, and they can vary for other departments in terms of strategy, policy, etc.
Long-term	5		Given time horizons are defined for TEMSA's sustainability roadmap short-term, medium-term, and long-term targets, and they can vary for other departments in terms of strategy, policy, etc.

C2.1b

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

Substantive strategic impacts are defined according to the 'risk level' of the identified risk. If the risk level is assessed as "critical" or "high", the risk is defined as a risk with substantive impact and it should be prioritized in reporting to the Risk Committee and The Early Risk Detection Committee (ERDC).

Substantive financial impact on our business is defined as an impact of more than 2% of our annual turnover (More than 88.2 Million TL for the reporting year). If a risk is assessed to have such an impact, the risk level is automatically identified as "Critical" regardless of its likelihood, vulnerability or speed of onset scores.

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
Climate-related risk/opportunity management activities are integrated into TEMSA's multi-disciplinary, company-wide risk management process, details of which are given below. The risk/opportunity assessments are usually performed at least 3-4 times per year, whereas for risks that are rated as top risks, the frequency of assessment is even higher and can be up to 6 times per year.

The assessments cover all value-chain stages, especially for climate-related risks/opportunities where downstream risks may include emerging regulations on our target markets and risks related to direct operations and upstream (supply chain) may include physical impacts of climate change.

Short and medium time horizons are covered in all risk/opportunity assessments including climate related risks, whereas long-term risks/opportunities are only assessed for climate-related subjects due to the nature of the physical impacts of climate change.

In 2021, we started work on the establishment of the Early Risk Detection Committee (ERDC) at TEMSA. ERDC, which commence operations in 2022, includes representatives from our partners. The Early Risk Detection Committee (ERDC) consists of a Board Member and Skoda Risk Manager. We plan to hold ERDC meetings one week before each Board of Directors meeting. The process for identifying risks:

There are two approaches utilized for identifying risks:
Top –down approach: Starts with identifying risks that affect Temsa's strategic objectives. This approach involves Executive Team Members, and management teams of each entity
Bottom-up approach: Starts with identifying functional or operational risks with related corporate functions or entity-wise organizational departments.
Risk identification process is performed by using one or a combination of the below listed methods:
Interactive group workshops.
Interviews with process owners.
Site surveys for determination of physical and operational risks
Focus on past events. (Business interruptions, market loss events, financial reports etc.)
The process for risk assessment:
Risks are prioritized by their Impact, Likelihood, Vulnerability and Speed of Onset on business results listed in Risk Tree and Qualitative Assessment Table.
Risk assessment process is done as follows.
These risks are categorized as Strategic, Financial, Operational, Compliance
Impact, likelihood, vulnerability, speed of onset grades are selected from the Scale Definitions Tables. Selection process is performed incorporation with the process owner and reviewed with entity site management.
As prioritization criteria, Impact, likelihood, vulnerability, speed of onset scores (with the weight rate respectively 30%, 30%, 20%, 20%) multiplied to define overall risk score.
Prioritization/Risk Score Scale composed of 4-level grouping.
Critical ≥ 3: One exception of the prioritization criteria stated above, if a risk is assessed to have an impact of over 2% of the annual turnover (88.17 Million TL for the reporting period) the risk level is automatically identified as "Critical" regardless of its likelihood, vulnerability or speed of onset scores
High 2.6 ≤…< 3
Moderate 2 ≤…< 2.6
Low <2
The process for risk response:
Risk appetite helps to properly define the importance and acceptable levels of risks and provides basis to decide whether an action will be applied or not. Action decisions will also depend on the existing controls on these risks.
At this level, range of options will be identified, assessed and action plan will be implemented. Options may include:
Avoiding the risk
Reducing the likelihood of the risk
Reducing the impact of the risk
Sharing and transferring the risk
Accepting the risk
The most appropriate option can be selected by balancing the cost of implementing each option against the benefits derived from it. If cost/benefit analysis is not appropriate, benefits can also be identified subjectively.

C2.2a

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

	Relevance & inclusion	Please explain

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	RELEVANCE: Risks/opportunities related to current regulation are always included in our risk assessments, because we cannot perform our business if we are not in line with climate-related regulation. We need to comply with extensive climate-related regulations globally, because being in the automotive industry, we would like to make sure that we are able to market our products worldwide. EXAMPLES: EU Regulation 2019/631 sets CO2 emission performance standards for new passenger cars and new light commercial vehicles. All manufacturers must ensure that the average CO2 emissions of their production meets the emission limits. As TEMSA we are currently not impacted by this regulation, however it is under our radar in case the scope of the regulation is expanded to include HDV's. The European Commission developed a software, The Vehicle Energy Consumption Calculation Tool (VECTO), for determining CO2 emissions and fuel consumption from the Heavy Duty Vehicles (trucks, buses, and coaches) for implementation of regulation EU 2017/2400. The CO2 emission value obtained by integrating the engine, transmission,tire and axle data of the vehicles into the system. As TEMSA it is under our radar in case the scope of the regulation is effect our HDV's.
Emerging regulation	Relevant, always included	RELEVANCE: Climate-related emerging regulations are always included in our risk assessments. Automotive industry is usually one of the first to be impacted from climate related regulations, especially regulations on emission profiles, fuel efficiency, etc. If we fail to adapt our products to the stricter regulatory standards in a timely manner, we may lose our competitive advantages. EXAMPLES: From the entry into force of CBAM (Carbon Border Adjustment Mechanism) in 2026, EU importers will purchase carbon certificates that correspond to the carbon price they would have paid if the goods had been produced under the EU's carbon pricing rules. CBAM will be applied in gradually and will apply initially at a high risk of carbon leakage industries which are iron & steel, cement, fertiliser, aluminium, hydrogen and electricity generation. Within the scope of the Emissions Trading System (ETS), which is planned to be established in Turkey the use of offset credits may become important in terms of cost-effective reduction. In this context, a Draft Offset Communiqué was studied within the scope of the PMR (Partnership of Market Readiness) Project, and the use of carbon certificates obtained from domestic emission reduction projects in the second implementation period of the ETS was included in the Draft ETS Regulation. Although legally binding mechanisms are still in the drafting stage in Turkey and transition phase is still progress in terms of CBAM and EU ETS, the fact that industries responsible for the production of raw materials used by TEMSA in the bus production, such as iron and steel, will be included in this scope, can cause indirect costs for TEMSA in the supply of these products. In order to prevent the risks that may arise from this, a projection has been made by TEMSA as whether we will fall under the scope of CBAM and EU ETS, and the outstanding economic and environmental effects of the risks that may arise in the future have been studied.
Technology	Relevant, always included	RELEVANCE: As we produce HDV's which mainly rely on different types of technologies, risks and opportunities related to technology are always included in our risk assessments. EXAMPLES: The transportation sector, which is responsible for a significant amount of greenhouse gas emissions, bases the green transformation of its current structure on electrification. The mobility industry has made decarbonization a priority, but the process is too multi-layered to be confined to electric conversion of individual vehicles or public transport vehicles. For electrification and the future of mobility, it is possible to talk about many dynamics ranging from the methods and sources of energy these electric vehicles require to the accessibility of charging units, from battery life to the sectoral talent gap. For example, electrification the most important aspect of the automotive industry, brings new risks. One of these is a public charging infrastructure that needs to be built to keep up with the ever- increasing number of electric vehicles. At TEMSA, we carry out many projects to develop power distribution, vehicle charging units, and charging station technologies in our R&D department. Also high cost battery technology is the most critical aspect of electrification. However, difficulties in supplying adequate raw materials, including lithium, nickel, and cobalt used in batteries, and an insufficient number of factories producing batteries have led the industry towards using recyclable battery technology. We produce battery technologies for the electric vehicles we manufacture.
Legal	Relevant, always included	RELEVANCE: Legal risks are always included in our risk assessments, and these risks are assessed with the assistance of our legal department. We may face legal actions due to non-compliance with extensive climate-related regulations worldwide. EXAMPLES: Regulation of the European Parliament and of the Council is working on legislation that will impose obligations that will cover the entire life cycle, from the design of all types of batteries, including electric vehicle batteries, to waste. In this context, obligations have been taken, such as taking certain sustainability and safety measures for all batteries that will be in the Union market, restricting the use of harmful materials, and imposing an obligation to inform and label about carbon footprint. In addition, there are restrictive measures by years that raw materials such as lithium, cobalt, nickel, lead used in battery content must contain a certain amount of recycled content. At TEMSA, we produce light trucks as well as public transportation vehicles such as buses and midi-buses. We also manufacture batteries and battery packs for electric buses in our facility, which we started selling for the first time in 2020. As TEMSA, we are accelerating our efforts in order not to be adversely affected by this legislation, which will be carried out to ensure the battery manufacturing and battery packs, so that there are no disruptions in our worldwide sales network, from the design of our batteries, to the collection for their lifecycle and beyond, and to ensure battery cyclicality. For example, we are developing off-grid (portable) DC charging systems to create an alternative purpose and a new market for end-of-life bus batteries.
Market	Relevant, always included	RELEVANCE: Changing market conditions are always included in our risk assessments. Failing to understand the changing consumer behavior can have a detrimental impact on our business. We also include market conditions in our risk assessments, especially the supply/demand dynamics on EV markets and increased cost of raw materials that are needed to produce these vehicles are usually risks that are assessed under Market risks. EXAMPLES: Innovation in business models is needed to design new vehicles under changing conditions, supply suitable cells or batteries, and keep new systems running smoothly. Additional software are also required. We support our customers also during the after-sales process and provide them with various after-sales services to ensure high-quality customer experience. In addition, we regularly update our product and service portfolio, bearing mind changing conditions and evolving global trends. For example, we designed a battery pack, TEMSA's first product in this field, to generate more power with less space and smaller volume. TEMSA'S light and durable battery pack has two certificates in accordance with European Union (EU) standards. The battery management system, designed as a smart card by TEMSA engineers, provides high efficiency and extends the life of batteries.
Reputation	Relevant, always included	RELEVANCE: Climate-related reputational issues are always included in our risk assessment under the strategic risks category. EXAMPLES: TEMSA has Sustainability Materiality Matrix. Our economic, social, environmental, and governance impacts categorized from low to high according to their significance for TEMSA and stakeholders. Impact priorities in this matrix are evaluated while making evaluations and decisions regarding the company. The main reason for using Sustainability Materiality Matrix in the evaluation and implementation of the decisions taken is the mutual responsibility between TEMSA and stakeholders. All social media and traditional media news that TEMSA or its stakeholders may encounter and that have negative effects can change the public's point of view. In order to prevent reputation risks, TEMSA's activities are aligned with national and international priorities such as stakeholder expectations, sustainability priorities, global trends, and regulations. Being a Joint Venture of Sabancı Holding and Skoda our reputation directly impacts our mother companies. Therefore any issue that damages the reputation of TEMSA has a potential to impact our majority shareholders. Therefore we pay utmost importance to reputational risks in our risk assessments.
Acute physical	Relevant, always included	RELEVANCE: Acute physical impacts of climate-change including floods, heavy precipitation, heat waves, storms, droughts leading to water shortages are always included in our risk assessments especially for our direct operations and our supply chain. EXAMPLES: TEMSA production factory is located in Adana, Turkey. Adana is one of the provinces with the highest average temperature in Turkey. Drought risk may arise in the region due to the climate change. Due to drought there may be water shortages and we may face a risk of interruption of operational processes for 7 days or more. To overcome this risk, we are conducting a feasibility study for additional investment in our existing water treatment plant, as the water used in process may need to be reintroduced due to drought. In addition, we focus on enabling the reuse of our discharged water from our treatment facilities by recycling, using it to water the garden, and for other appropriate processes.

	Relevance & inclusion	Please explain
Chronic physical	Relevant, always included	RELEVANCE: Chronic physical impacts of climate-change are always included in our risk assessments. Especially water scarcity is assessed to be one of our main climate-related long-term risks as both our and some of our supplier's production processes are water-dependant. EXAMPLES: TEMSA uses well water in its production processes and municipal water for human consumption. When faced with water scarcity, our production and financial operations can be interrupted for 7 days or longer. Water is used not only in the production of the busses, but also in the quality tests applied after production. All our vehicles are tested under a simulated environment of heavy rain conditions for 20 minutes. Then, if we discover that the vehicle is leaking water, we attend to necessary repairs, and the vehicle goes through the shower test again. To reuse the water used on the shower test, we collect in a dedicated container. Then, we used the collected water to conduct another shower test. In this test, which is one of our most water-dependant processes, we use 4.5 m3 of water per minute and continue using the same water with minimum additions. Because of our photocell system, we save 90 m3 of water per vehicle.

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?

Downstream

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

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The European Decarbonization Movement aims to reduce public transport emissions in European cities to zero. Therefore, it is predicted that the demand for Diesel buses will decrease by 79%. The increase in the volume of the European railway line may also reduce the amount of urban and intercity bus lines. Accordingly a downward breakdown is expected in Diesel Bus prices between 2025 and 2026 and diesel powered Midibus sales used in urban transport is expected to be zero by 2030.

European regulation usually is a pioneer in climate-related regulation, and other world countries are also expected to enforce regulations to phase out of fossil fuels in ground transportation.
37,34% of our sales in 2022 was to European countries. 34,57% of our sales to Europe consisted of Diesel powered vehicles.
If we are unable to respond to the new mandates on our existing product portfolio, we may face a decrease in our revenues due to reduced demand for our products.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1127764160.23

Potential financial impact figure – maximum (currency)

2977485724.32

Explanation of financial impact figure

Approach used to calculate the figure:
To calculate the impact of this risk we worked on two scenarios:
Scenario 1: By 2030 not only the European market but 80% of the markets we work for have strict regulations on fossil fuels. We fail to respond to the changes in the market and still offer a product range that is mainly diesel powered. Until 2030 we gradually lose 80% of diesel sales throughout the world. (Max. financial impact scenario)
Scenario 2: Being the pioneer in climate-related regulations, to reduce public transport emissions in European cities to zero, EU bans diesel-powered public transportation vehicles by 2030, reducing the demand by 79%, but other markets don't implement such strict regulations. We fail to respond to the changes in the European market and offer a product range that is still mainly diesel powered. Until 2030 we gradually lose 79% diesel powered vehicle sales to Europe but we can still sell to other markets. (Min. financial impact scenario)

Figures used in calculation
2022 Revenue: 4,408,738,634.68 TL
Share of diesel powered vehicle sales in the revenue: 84.42%
Loss of sales for max. impact figure: 80%
Share of diesel-powered vehicle sales to EU Market: 32.38%
Loss of sales to EU for min. impact figure: 79%

Assumptions:
In order to simplify the calculations, impact of inflation is not included in the calculations, but the risk impact is revised every year using the previous year's realized revenue and diesel sales rates.

Min financial impact is calculated as:
4,408,738,634.68 TL x 32.38% x 79% = 1,127,764,160.23 TL

Max. financial impact is calculated as:
4,408,738,634.68 TL x 84.42% x 80% = 2,977,485,724.32 TL

Cost of response to risk
75234886

Description of response and explanation of cost calculation
SITUATION:
In 2022 84.42 % of our revenue came from the sales of diesel-powered vehicles. If we do not improve our product portfolio, we are at risk of losing almost all of the sales revenue from diesel-powered vehicles.
TASK:
Diversify the product portfolio by phasing out of diesel vehicles and investing in new low or no-carbon emitting technologies.
ACTION:
In order to be able to timely respond to the changing market conditions, we are investing heavily on alternative technologies and developing strategies to increase the share of electric and alternative fuel vehicles in our product portfolio.
In 2022 more than 54% of our R&D and CAPEX budget was reserved for sustainability related projects like R&D on alternative battery technologies for electric vehicles, fast charging and smart charging, hydrogen fuel cells, hydrogen tank, automated and connected vehicles (Level 4), dynamic and static charging, infrastructure project.
The cost of response is our R&D budget for 2022 reserved solely for sustainability related projects: 75,234,886 TL
TIMELINE:
By 2025, our target is to sell 50% of the city buses we manufacture as alternative fuel vehicles. By 2028, we aim to increase this percentage to 65% for zero emissions city buses. Furthermore, our long term plan involves electrifying the entire product range by 2040 and achieve zero emissions by 2050.

RESULTS:
In 2022 we have included 2 more electric vehicles in our product portfolio. We have also sold 20 Avenue EV city busses in 2022, avoiding a total of 12,594.80 tCO2e throughout the lifetime of these vehicles.
We currently offer 2 electric public transportation buses Avenue Electron and MD9 Electricity.
With the new additions to our electric products portfolio, we also offer intercity transportation busses TS45-E and LD SB-E.
If we are able to realize our action plan we may even turn this risk into an opportunity by increasing our share in the markets we operate in.

Comment

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?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
At TEMSA, digitalization, technology, R&D, and innovation approaches are included in all our processes, from design to the final product. These investments, which serve our growth strategy, play an essential role as facilitating tools in achieving our sustainability goals. The R&D and innovation approach, which is at the core of all our operations, serves our growth strategy and makes us one of the critical stakeholders in solving global problems. With the strength we derive from our R&D culture and university-industry cooperation, we design projects that will enable us to stand out in the global market. As the first company in Turkey to receive the R&D Center certificate, TEMSA made an R&D and inovation investment of 140,281,170 TL for projects in 2022. Among all R&D and Innovation investments, sustainability focused projects make up 54%.

With the decarbonization plans of EU, the sales of electric and hydrogen powered vehicles are expected to increase especially with a potential price jump after 2026.

There is also an opportunity to develop its product portfolio beyond electric busses.

In 2022 we saw the need for an alternative last km delivery vehicle that can serve the increasing demand for deliveries of online orders. Together with our belief in sustainability, we have produced a brand new last mile distribution (last mile km) vehicle by using our past electric bus production experiences, Equad. The eQuad is a small cargo vehicle that is %100 electric and can also be driven by pedals. We are planning to deliver 1,000 eQuad vehicles to the American and European markets by the end of 2024.

As an effort to reduce climate and environmental impacts of marine transportation vehicles, we have succesfully achieved the electrification of diesel powered sea taxis used in Bosphorus in line with our sustainable future business model motto. Leveraging our expertise in electric vehicles and utilizing our domestic battery technology, we have accomplished this transformation.
These two projects, together with our electric product range, present an opportunity to increase our revenues through access to new and emerging markets.

In 2022, 8% of our revenue came from sustainable products and services.

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
969922499.63

Potential financial impact figure – maximum (currency)
3174291816.97

Explanation of financial impact figure
Approach used to calculate the figure:
To calculate the impact of this opportunity we worked on two scenarios:
Scenario 1: The markets we operate in presents us new opportunities for our new product portfolio including, electric city and intercity buses, electric powered marine transportation and last km cargo transport vehicles. However the transformation to electric vehicles are not as fast as we predicted and by 2050 our revenue from electric vehicle sales makes up only 30% of our total revenue.
Scenario 2: The markets we operate in are able to shift to electric vehicles rather swiftly, and with its innovative solutions, TEMSA becomes one of the pioneers in the public transportation industry. Electric powered vehicle sales makes up 80% of our total revenue.
Both scenarios are considered long-term (after 2030)
Figures used in calculation
2022 Revenue: 4,408,738,634.68 TL
Share of sustainable products sales in the revenue: 8%
Share of sustainable products in sales revenue (Scenario 1-Min. impact): 30%
Share of sustainable products in sales revenue (Scenario 2-Max. impact): 80%

Assumptions:
In order to simplify the calculations, impact of inflation is not included in the calculations, but the possible impact of this possible opportunity is revised every year using the previous year's realized revenue and sustainable products sales rates.
Growth factor is also not included for simplification purposes, therefore the impact figures calculated are conservative values.

Min financial impact is calculated as:
4,408,738,634.68 TL x (30%-8%) = 969,922,499.63 TL

Max. financial impact is calculated as:
4,408,738,634.68 TL x (80%-8%) = 3,174,291,816.97 TL

Cost to realize opportunity
75234886

Strategy to realize opportunity and explanation of cost calculation
SITUATION:
In 2022 8% of our revenue came from the sales of our sustainable products range. We have an opportunity to increase the share considerably.
TASK:
Diversify the product portfolio by phasing out of diesel vehicles and investing in new low or no-carbon emitting technologies.
ACTION:
In order to be able to timely respond to the changing market conditions, we are investing heavily on alternative technologies and developing strategies to increase the share of electric and alternative fuel vehicles in our product portfolio.
In 2022 more than 54% of our R&D and CAPEX budget was reserved for sustainability related projects like R&D on alternative battery technologies for electric vehicles, fast charging and smart charging, hydrogen fuel cells, hydrogen tank, automated and connected vehicles (Level 4), dynamic and static charging, infrastructure project.
Two major development projects that have already started generating revenue in 2023 are:
- eQuad: 100% electric small cargo vehicle
- Electrification of diesel powered sea taxis used in Bosphorus
These two projects, together with our electric product range, present an opportunity to increase our revenues through access to new and emerging markets.

The cost of response is given as our R&D budget for 2022 reserved solely for sustainability related projects: 75,234,886 TL
TIMELINE:
By 2025, our target is to sell 50% of the city buses we manufacture as alternative fuel vehicles. By 2028, we aim to increase this percentage to 65% for zero emissions city buses. Furthermore, our long term plan involves electrifying the entire product range by 2040 and achieve zero emissions by 2050.

RESULTS:

As a result of all of the above-mentioned efforts in 2022, share of sustainable products in our portfolio has increased to 8%.
50 units of eQuad has been delivered in the first half 2023.
By completing the conversation of five marine taxis in 2023, we have enabled a more environmentally friendly, efficient, and quiet sea transportation system in Istanbul.
We have included 2 more electric vehicles in our product portfolio. We have also sold 20 Avenue EV city busses in 2022, avoiding a total of 12,594.80 tCO2e throughout the lifetime of these vehicles.
We currently offer 2 electric public transportation buses Avenue Electron and MD9 Electricity.
With the new additions to our electric products portfolio, we also offer intercity transportation busses TS45-E and LD SB-E.

Comment

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
We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

Description of feedback mechanism
<Not Applicable>

Frequency of feedback collection
<Not Applicable>

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

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

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	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

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: IEA NZE 2050	Company-wide	<Not Applicable>	1) Scenarios, inputs, assumptions, and analytical methods: The main objective of achieving net zero by 2050 is aligned with the goal of combating climate change and limiting global temperature rise to 1.5 degrees Celsius. In line with this net zero target, there is an emphasis on the importance of energy efficiency in reducing carbon emissions from energy demand, as well as the need for widespread adoption of renewable energy sources and accelerated electrification. As TEMSA we have already committed to become net zero by 2050 and limiting global temperature rise to 1.5 degrees Celsius in line with SBTi committement. We use IEA NZE 2050 scenario to identify our climate transition roadmap and asses our climate-change related risks and opportunities. This is a qualitative scenario. 2) Time horizon(s) considered and relevance: We are examining our impacts on climate change in the medium to long term and identifying our risks and opportunities. 3) Areas of the organization considered: We incorporate all of our operations into the net zero 2050 analysis. 4) Results: We set specific goals aligned with our objective of achieving net zero by 2050, focusing on the development of sustainable mobility solutions. Leveraging the diverse range of products and services offered by TEMSA, we actively contribute to smart mobility solutions and the decarbonization efforts. Electric vehicles are a critical part of this vision. By 2025, our target is to sell 50% of the city buses we manufacture as alternative fuel vehicles. By 2028, we aim to increase this percentage to 65% for zero emissions city buses. Furthermore, our long term plan involves electrifying the entire product range by 2040. Our scenario analysis have also triggered a specific risk assessment to identify TEMSA's risk of inclusion in Turkish ETS which is expected to be active after 2024. Having a thermal capacity of below 20 MW's, TEMSA is below the threshold levels and is not a part of Turkish ETS. However, within the scope of the study, an analysis of the risk of inclusion in ETS was conducted, determining the likely amount of free allocation that the company may receive. Based on this, the carbon cost for TEMSA was calculated in the range of 19.86 – 72.83 million TL (total carbon cost for 2024-2030) while considering Scope 1 emissions and three different price scenarios.
Physical climate scenarios: RCP 8.5	Company-wide	<Not Applicable>	1) Scenarios, inputs, assumptions, and analytical methods: TEMSA, incorporates climate related scenario analysis as an integral part of our risk management and strategic planning processes. Identification of selected scenario: To assess the physical impacts of climate-change, we determined RCP8.5 to be the most relevant scenario, which is a pessimistic quantitative scenario that adequately covers the potential range of global warming from 2 to well above 4 degrees . Inputs: Various parameters that hold significant importance for our organization are considered, including: Extreme weather events, increased temperature , water scarcity, insurance costs. Assumptions: Our scenario analysis involved making both quantitative and qualitative assumptions including: Projecting increased costs for business interruption in operations and the supply chain starting from 2025 and beyond. The frequency of natural disasters, such as floods and storms, have been increasing year by year. As the frequency of natural disasters such as earthquakes and floods increases, insurance prices are also expected to rise. 2) Time horizon(s) considered and relevance: We selected a long term time horizon for our scenario analysis, aligning with our organization's ambition to achieve climate neutrality by 2050. This time frame is selected for several reasons: The automotive industry is experiencing rapid changes in terms of technological requirements, including the adoption of alternative fuels, shifting market conditions, and the expansion of battery charging infrastructure. Our long term plan involves electrifying the entire product range by 2040. We also aim to exceed the goals set in line with SBTi (Science Based Initiative), including the goal of limiting global temperature rise to 1.5 degrees Celsius. 3) Areas of the organization considered: Our scenario analysis include all of our operations. Through the implementation of climate related scenario analysis, TEMSA endeavors to proactively identify and address climate related risks, informing our strategic decision making processes, and contributing to our long term commitment to climate neutrality.

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 potential of water related impacts of climate change?
2. What are the effects of temperature increase caused by climate change?
3. How will we be affected by long term climate transition risks and opportunities?

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

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

The results of this scenario analysis informed the following actions:
Feasibility studies are being conducted to make additional investments in our existing wastewater treatment facility to potentially reintegrate process water back into the process due to possible drought conditions. Furthermore, we store water used in shower tests in a dedicated tank for reuse in subsequent tests. Through the use of photocell system, we have started achieving 90 cubic meters of water savings per vehicle. In every test, we use 4.5 cubic meters of water per minute and continue using the same water with minimum additions.
2. TEMSA's production facility is located in Adana, one of the hottest cities in Türkiye. Therefore, the effects of global temperature rise are being felt more and more each day. As we operate in Türkiye, a country that is one of the legal member of a worldwide movement of The Paris Agreement, aiming to keep global temperature increase below 1.5 degree Celsius, TEMSA is making various contributions in this direction. In line with our commitment to SBTi (Science Based Targets initiative), we have committed to limit global temperature rise to 1.5 degrees Celsius and net zero. Following our sustainability roadmap, we continue to develop alternative technologies in the products we manufacture.
3. The demand for electric and alternative fuel vehicles is increasing day by day as part of electrification efforts. In this regard, the widespread establishment of charging stations is necessary. Various regulations like Fit for 55, which aim to reduce the use of fossil fuels, contribute to minimizing environmental impacts, and establish a more sustainable transportation infrastructure, drive the production of electrification and sustainable mobility solutions. Consequently, regulations are being set to facilitate the transition and consumer habits are changing.

The results of this scenario analysis informed the following actions:

Within this context, TEMSA is actively engaged in various areas, including the production of electric vehicles, new battery technologies, fuel saving, power distribution, vehicle charging units, and alternative fuel usage like hydrogen, and charging stations. Additionally, the implementation of the Carbon Border Adjustment Mechanism (CBAM) and the EU Emissions Trading System (ETS) may lead to increased prices of raw materials such as iron, steel, and aluminum, affecting the cost of production. Therefore, TEMSA has conducted analysis studies to anticipate the potential risks and opportunities that a carbon taxation/trading system may bring.

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	Climate-related risks and opportunities like emerging regulation, changes in market condition, expectations of customers for low-climate impact products have influenced our strategy related to our products and services immensely Especially for the products that we target the EU market, we need to comply with the climate-related regulations that are getting more and more strict every year. If we fail to comply with the regulatory requirements we risk the chance of losing some of our clients. Climate-related changes in market conditions like increased use of electric vehicles have also influenced our strategy for products and services as opportunities to be seized. Most substantial strategic decisions in this area to date is stopping the production of diesel powered vehicles by 2030. This decision was also influenced by the results of our climate-scenario analysis.
Supply chain and/or value chain	Yes	Climate related risks and opportunities definitely impacted our strategy related to our value chain. We have many suppliers which we rely on to be able to be successful in our Net-Zero 2050 journey. We know that our decarbonization efforts shall include our suppliers and we are working on ways to include our suppliers in our efforts to reduce our impacts on climate change.One of the most substantial strategic decisions in this area to date was 2021, we published our Responsible Purchasing Policy which includes the principles we expect our suppliers to comply with regarding environmental issues, including resource use and waste management, as well as social issues, including human and labor rights, plus ethical issues, including the fight against corruption and bribery. In this context, we gradually conduct audits with suppliers through self-assessment surveys. In this survey, under the sustainability heading, we inquire about our suppliers' ambitions related to climate issues. We are collabrating to make sustainable production a necessity. Through various R&D projects developed in partnership with our suppliers, we enhance our collabrative processes and work together to create sustainable mobility solutions.
Investment in R&D	Yes	Climate related risks and opportunities definitely impacted our strategy related to R&D investments. Being one of the most popular subjects in the Automotive Industry, electrification of our vehicles and alternative and climate-friendly options are among our focus areas in R&D activities. In the reporting year around 54% of our R&D budget was spent for sustainability-related projects. With My Energy is the Sun project, developing a DC electric vehicle charging station integrated with solar energy systems, operating off the grid with battery support. The collaboration between TEMSA and EnerjiSA spans from June 2021 to June 2022. The project showcases innovation, contributes to charging station infrastructure expansion, and aligns with Sabancı Holding's future vision. The project is being led by the Department of Business Development and the Head Office of R&D and Technology. In terms of financial achievements, the TEMSA energy-providing vehicle charging station will be introduced as an innovative addition to our product portfolio. Socially, the project contributes to the expansion of electric vehicle charging station infrastructure, both domestically and internationally. Environmentally, the charging station will utilize renewable solar energy to power electric vehicles, reducing their carbon footprint. Significant progress has been made as a DC vehicle charging system with four CCS2 type outputs, capable of delivering up to 100 kW, has been established. The system's energy storage capacity of 140 kWh is achieved using two 70 kWh TEMSA batteries.
Operations	Yes	Our operational strategies are also influenced by climate-related risks and opportunities. We are especially focusing on our resilience for the physical impacts of climate change in our operations and we are also focusing on energy efficiency projects. One of the most substantial strategic decisions in this area to date was running our operations on 100% renewable electricity. In April 2022 we have made a non-physical PPA with our electricity supplier and started using renewable energy in our operations.

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	Revenues: Climate-related risks and opportunities have influenced the long-term financial planning on revenue streams. We have started focusing on electrification of our product portfolio to seize the opportunities and not fall behind our competitors. Direct costs: Financial planning for direct costs has also been impacted, especially due to the transitional effects of climate change. Our financial planning now places more focus on material costs, which includes expenses for raw materials, components, and parts required for vehicle production. This encompasses everything from steel, iron, and aluminum for the body, to various electronics, plastics, and other materials used in the vehicle's interior and exterior. Particularly, the implementation of CBAM and ETS is expected to encourage energy-intensive industries, such as iron-steel and aluminum, to reduce their carbon footprints and adopt more sustainable production methods. This may bring some challenges and adaptation costs, and could potentially increase the cost of raw materials. Indirect costs: Planning related to indirect costs have been influenced already. As we are planning to run all of our operations in Türkiye on 100% renewable electricity, the extra cost of renewable electricity purchases is included in our financial planning. We have a reserved budget for our renewable energy purchases in our OPEX. Capital expenditures: Our strategy for capital expenditures has already been influenced by climate-related risks and opportunities. We analyse capital expenditures with a different point of view and try to select options that reduce energy use. Energy efficiency of a capital expense item is now one of the deciding factors as a part of our purchasing procedures. In 2022, we started the infrastructure and feasibility studies for the Solar PV panels that are planned to be installed in 2023. Capital allocation: As part of our climate transition plan we have targets to reduce our Scope 1 and Scope 2 GHG emissions by 42% until 2030 and 100% by 2050. Currently more than 50% of our CAPEX budget is reserved budget for sustainability related R&D projects.

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	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with our climate transition plan	<Not Applicable>

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
<Not Applicable>

Objective under which alignment is being reported
<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
75837784

Percentage share of selected financial metric aligned in the reporting year (%)
54.6

Percentage share of selected financial metric planned to align in 2025 (%)
50

Percentage share of selected financial metric planned to align in 2030 (%)
50

Describe the methodology used to identify spending/revenue that is aligned
In order to realize our climate transition plan we focus on projects to increase the share of electric and alternative fuel vehicles in our products. In 2022 the total expenses for the development of our sustainable product portfolio was 75,234,886. These expenses were met from the CAPEX dedicated for R&D projects.

We also have a dedicated budget for our energy efficiency projects.

Until the end of 2030, we have reserved at least 50% of our CAPEX for the sustainability related R&D, energy efficiency and renewable energy related projects.

Although the % share of CAPEX reserved is the same until 2030, we are in a growth trend our CAPEX will keep on increasing, so the amount reserved from CAPEX in TL will increase every year.

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)
<Not Applicable>

Base year
2021

Base year Scope 1 emissions covered by target (metric tons CO2e)
3397.73

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

4150.49

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

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)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
7548.22

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)

<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

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]
4377.9676

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
4203.37

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
1629.46

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

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)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
5832.83

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]
54.108940978958

Target status in reporting year
New

Please explain target coverage and identify any exclusions
The target covers all our operations. We target a 42% reduction in our Scope 1 and Scope 2 GHG emissions from a 2021 base year until 2030. This target is a near-term target which is in line with SBTi recommendations and also in line with Sabancı Holding targets.
We have committed to SBTi, however as SBTi has announced temporarily pausing near-term and long-term target validations for automakers until 1.5 C Scope 3 targets for use-phase emissions from new road vehicles are developed and approved, therefore, we have not submitted this target to SBTi.
This target may be revised after the SBTi updates the SDA Transport Tool.

Plan for achieving target, and progress made to the end of the reporting year
More than 50% of our Scope 1 and Scope 2 GHG emissions come from our electricity use. Until 2030 we have plans to increase our production capacity, to reduce our GHG emissions while increasing capacity, we are researching new technologies. We have invested on Solar Panels and we also purchase bundled energy attribute certificates. Through renewable energy investments we have achieved 67% of our target in 2022.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

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
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)
<Not Applicable>

Base year
2021

Base year Scope 1 emissions covered by target (metric tons CO2e)
3397.73

Base year Scope 2 emissions covered by target (metric tons CO2e)
4150.49

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

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)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
7548.22

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)

<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

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)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2050

Targeted reduction from base year (%)
100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
4203.37

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
1629.46

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

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)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
5832.83

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]
22.7257552111624

Target status in reporting year
New

Please explain target coverage and identify any exclusions
The target covers all our operations. This is our long-term target which is in line with our Net Zero 2050 target. We aim a 100% reduction in our Scope 1 and Scope 2 GHG emissions from a 2021 base year until 2050. This target is in line with SBTi recommendations.
We have committed to SBTi, however as SBTi has announced temporarily pausing near-term and long-term target validations for automakers until 1.5 C Scope 3 targets for use-phase emissions from new road vehicles are developed and approved, therefore, we have not submitted this target to SBTi.
This target may be revised after the SBTi updates the SDA Transport Tool.

Plan for achieving target, and progress made to the end of the reporting year
More than 50% of our Scope 1 and Scope 2 GHG emissions come from our electricity use. Until 2030 we have plans to increase our production capacity, to reduce our GHG emissions while increasing capacity, we are researching new technologies. We have invested on Solar Panels and we also purchase bundled energy attribute certificates. Through renewable energy investments we have achieved 22.7% of our target in 2022.
Technological developments will play a major role in the achievement of this long-term target.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2021

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2021

Consumption or production of selected energy carrier in base year (MWh)
0

% share of low-carbon or renewable energy in base year
0

Target year
2030

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
68.69

% of target achieved relative to base year [auto-calculated]
68.69

Target status in reporting year
Underway

Is this target part of an emissions target?
This target is part of our Abs1 and Abs2 Scope 1 and Scope 2 GHG emission reduction targets.

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

Plan for achieving target, and progress made to the end of the reporting year
We plan to achieve this target by purchasing bundled energy attribute certificates every year. In 2022 68.69% of our electricity consumption were from renewable sources.

List the actions which contributed most to achieving this target
<Not Applicable>

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 covers all of our Scope 1, Scope 2 and Scope 3 GHG emissions. There are no exclusions.
In 2022 we have also set a long-term Scope 1 and Scope 2 target to reduce our GHG emissions by 95%.
We have also committed to SBTi, however as SBTi has announced temporarily pausing near-term and long-term target validations for automakers until 1.5 C Scope 3 targets for use-phase emissions from new road vehicles are developed and approved, therefore, we have not submitted this target to SBTi.

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

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

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

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	
To be implemented*	4	508
Implementation commenced*	2	550
Implemented*	3	4093.72
Not to be implemented	7	602

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 buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
21.14

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)
Scope 2 (market-based)
Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
72774

Investment required (unit currency – as specified in C0.4)
568349

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment
LED Light conversions in 14 different sections saving 46,665 kWh of electricity per annum. With this project we have reduced 19.23 tons of CO2e from Scope 2 GHG emissions and 1.92 tons of CO2e from Scope 3 Category 3 emissions.

Initiative category & Initiative type

Energy efficiency in buildings	Insulation

Estimated annual CO2e savings (metric tonnes CO2e)
19.6

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)
Scope 2 (market-based)
Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
54857

Investment required (unit currency – as specified in C0.4)
34548

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
Insulation of pipes saving 43,256 kWh of electricity per annum. With this project we have reduced 17,82 tons of CO2e from Scope 2 GHG emissions and 1,78 tons of CO2e from Scope 3 Category 3 emissions.

Initiative category & Initiative type

Low-carbon energy consumption	Wind

Estimated annual CO2e savings (metric tonnes CO2e)
4052.98

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
81500

Payback period
No payback

Estimated lifetime of the initiative
<1 year

Comment
As of 01.04.2022 we have started using renewable energy through a PPA with our energy provider reducing 4,052.98 tons of CO2e emissions.

C4.3c

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

Method	Comment
Dedicated budget for low-carbon product R&D	At TEMSA, we allocate a large part of our investments to developing electric vehicles. The ratio of sustainability oriented R&D and innovation investments in the total R&D budget was 54 percent in 2022, and revenue we obtained from products that we define as sustainable products amounted to approximately 373 million TL.
Dedicated budget for energy efficiency	We have a dedicated budget for energy efficiency projects. In 2022 we have reduced 40.74 tCO2e through efficiency projects.
Employee engagement	We engage our customers by training them on energy efficiency. We have trained all of our customers within the scope of ISO 50001. A core team was established to carry out energy efficiency studies within the factory. Internal auditors were selected from this team to oversee the work.
Compliance with regulatory requirements/standards	We have a dedicated budget for regulatory requirements. In 2022 we have invested 414,352 TL for mandatory environmental investments and 94,566 TL for non-mandatory environmental investments

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
Climate Bonds Taxonomy

Type of product(s) or service(s)

Road	Lithium-ion batteries

Description of product(s) or service(s)
Avenue Electron bus is on sale from 2021. Avenue Electron's environmentally friendly performance ensures zero noise and zero emissions, so it meets the environmental needs of smart cities. Its 'driving pedal' single pedal drive increases the coach's range by 15% while saving electricity, while brake energy recovery up to a rate of 44% ensures a higher level of efficiency. Batteries with 240 kW, 300 kW and 360 kW options, and the battery management system offer a travelling range up to 350 km.

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

Methodology used to calculate avoided emissions
Estimating and Reporting the Comparative Emissions Impacts of Products (WRI)

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

Functional unit used
1 Electric Powered Avenue Electron Bus

Reference product/service or baseline scenario used
1 Diesel-Powered Avenue LF Bus

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
629.74

Explain your calculation of avoided emissions, including any assumptions
Assumptions:
Estimated lifetime: 12 years and 800,000 km's for both vehicles
Average fuel efficiency for Avenue Electron: 100 kWh/100km
Average fuel efficiency for Avenue LF: 35 liters/ 100 km
Average emission factor for the EU grid, expected average between 2021 and 2032: 0,159 kgCO2e/kWh
Emission factor for diesel oil: 2.6972 kgCO2/liters
Over its lifetime the electric version of Avenue is estimated to use 800,000 kWh of electricity, while the diesel-powered version is expected to use 280,000 liters of diesel oil.
Lifetime emissions of Avenue EV equals 125.48 tCO2e, whereas diesel-powered Avenue emits 755.22 tCO2e.
Therefore using the EV version avoids 629.74 tCO2e emissions.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
4

C5. Emissions methodology

C5.1

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

C5.2

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

Scope 1

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
3397.73

Comment
The most reliable data on our Scope 1 emissions is 2021 data, therefore 2021 is selected as the base-year for our GHG inventory.

Scope 2 (location-based)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
4150.49

Comment
The most reliable data on our Scope 2 emissions is 2021 data, therefore 2021 is selected as the base-year for our GHG inventory.

Scope 2 (market-based)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
4150.49

Comment
We have made no renewable energy purchases in the base year.
We also don't have access to residual market-based emission factors, therefore location-based emission factors were used to calculate market-based emissions.

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)
197959.31

Comment
EEIO Emission factors are used to calculate Scope 3 Category 1 GHG emission factors. This is our first year of calculating Scope 3 GHG emissions for some major categories that is why base year is selected as 2022. This is the first year the GHG emissions from this category was calculated.

Scope 3 category 2: Capital goods

Base year start
January 1 2022

Base year end
December 31 2022

Base year emissions (metric tons CO2e)
72.44

Comment
The calculation of emissions from capital goods involves matching the monetary values of the capital goods with the corresponding emission factors in the USEEIO model. This is our first year of calculating Scope 3 GHG emissions for some major categories that is why base year is selected as 2022. This is the first year the GHG emissions from this category was calculated.

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)
868.19

Comment
WTT emissions from fuels are included in this category. This category is included in our GHG inventory for the first time.

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)
3309.83

Comment
This category includes the transportation of good to our site and transportation services purchased in 2022. This is the first year the GHG emissions from this category was calculated.

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)
259.38

Comment
This data is the sum of hazardous and non-hazardous wastes reported to the Ministry by TEMSA in the reporting year. This is the first year the GHG emissions from this category was calculated.

Scope 3 category 6: Business travel

Base year start
January 1 2022

Base year end
December 31 2022

Base year emissions (metric tons CO2e)
467.32

Comment
Business flights of our employees are included in this category. Although GHG emissions from this category was calculated in the previous years, 2022 is the first year we have made a complete Scope 3 inventory assessment, therefore base year for this category is also revised as 2022.

Scope 3 category 7: Employee commuting

Base year start
January 1 2022

Base year end
December 31 2022

Base year emissions (metric tons CO2e)
685.23

Comment
GHG emissions from employee shıttles are included in this category. Although GHG emissions from this category was calculated in the previous years, 2022 is the first year we have made a complete Scope 3 inventory assessment, therefore base year for this category is also revised as 2022.

Scope 3 category 8: Upstream leased assets

Base year start
January 1 2022

Base year end
December 31 2022

Base year emissions (metric tons CO2e)
0

Comment
As we calculate our Scope 1 and Scope 2 GHG emissions using operational control approach, GHG emissions from upstream leased assets are reported under Scope 1 and Scope 2 emissions.

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)
1643.82

Comment
For this category, vehicle weight data and specific distance transported on the basis of Temsa customers are obtained. This is the first year this category was included in our Scope 3 GHG inventory.

Scope 3 category 10: Processing of sold products

Base year start
January 1 2022

Base year end
December 31 2022

Base year emissions (metric tons CO2e)
1339.33

Comment
Some of our products like body shell and batteries are intermediate products, therefore in 2022 processing of sold products was also included in our calculations. This is the first year this category was included in our Scope 3 GHG inventory calculations.

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)
1058282.96

Comment
Being an auto manufacturer, our major source of Scope 3 GHG emissions is the use of our sold products. This is the first year we have calculated the GHG emissions from this category.

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)
0

Comment
This category is assessed to be not relevant for 2022.

Scope 3 category 13: Downstream leased assets

Base year start
January 1 2022

Base year end
December 31 2022

Base year emissions (metric tons CO2e)
0

Comment
We do not have any downstream leased assets, therefore the GHG emissions from this category is assessed to be 0.

Scope 3 category 14: Franchises

Base year start
January 1 2022

Base year end
December 31 2022

Base year emissions (metric tons CO2e)
587.09

Comment
We have made an analysis using Quantis Scope 3 evaluator using the operational area of our dealers. This is the first year we have calculated the GHG emissions from this category.

Scope 3 category 15: Investments

Base year start
January 1 2022

Base year end
December 31 2022

Base year emissions (metric tons CO2e)
0

Comment
GHG Protocol Scope 3 Guidance outlines that for companies that choose operational control to compile their GHG inventory, the emissions from any asset the company wholly or partially owns but does not control are excluded from its direct emissions and should be included in its scope 3 inventory category 15.

TEMSA does not have any Joint Ventures, partnerships with financial gain, affiliates and equity investments that it does not have operational control over. Therefore this Scope 3 category is not relevant for TEMSA.

Scope 3: Other (upstream)

Base year start
January 1 2022

Base year end
December 31 2022

Base year emissions (metric tons CO2e)

Comment
There are no other upstream Scope 3 GHG emissions.

Scope 3: Other (downstream)

Base year start
January 1 2022

Base year end
December 31 2022

Base year emissions (metric tons CO2e)

Comment
There are no other downstream Scope 3 GHG emissions.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
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)
4203.37

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Reported emissions are gross global emissions.

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

C6.3

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

Reporting year

Scope 2, location-based
5682.44

Scope 2, market-based (if applicable)
1629.46

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
As we are not able to reach market-based residual emission factors in the markets that we operate in, market-based emissions are calculated using location-based emission factors as a proxy.

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?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions
Scope 3 GHG emissions from our office in İstanbul, Türkiye and our international operations in Germany, France* and North America are excluded. (*Only Scope 3 - Category 7: Employee commuting emissions in our France office is included in our GHG inventory)

Scope(s) or Scope 3 category(ies)
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

Relevance of Scope 1 emissions from this source
<Not Applicable>

Relevance of location-based Scope 2 emissions from this source
<Not Applicable>

Relevance of market-based Scope 2 emissions from this source
<Not Applicable>

Relevance of Scope 3 emissions from this source
Emissions are not relevant

Date of completion of acquisition or merger
<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents
<Not Applicable>

Estimated percentage of total Scope 3 emissions this excluded source represents
1

Explain why this source is excluded
The international operations only include sales offices and maintenance centers. In Istanbul we only have operations of an office and there is only a few number of employees. For the reporting period these emission sources are excluded because we also were not able to reach any data. In the future we have a target to include all operations in our Scope 3 calculations.
Scope 3 Category 7: Employee commuting in our France operations is the only Scope 3 source that is included in our GHG inventory for 2022.

Explain how you estimated the percentage of emissions this excluded source represents
As there is no production related emissions the Scope 3 GHG emissions of downstream categories are not relevant. Other categories are estimated using an extrapolation method using number of employees and area of operations.

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)
197959.31

Emissions calculation methodology
Spend-based method
Average spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
In 2022 reporting year, Scope 3 emissions are calculated according to GHG Protocol. Calculation has been made by matching the material names obtained from purchase records and their monetary values with the EEIO emission factors. In 2022 reporting year, Scope 3 emissions are calculated according to GHG Protocol. Calculation has been made by matching the material names obtained from purchase records and their monetary values with the EEIO emission factors. In order to calculate emission from purchased services, similar to the calculations for purchased goods, the USEEIO model is employed, which involves matching the purchased values with the corresponding emission factors.

Capital goods

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
72.44

Emissions calculation methodology
Spend-based method
Average spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
The calculation of emissions from capital goods involves matching the monetary values of the capital goods with the corresponding emission factors in the USEEIO model. Although the GHG emissions from capital goods are much lower than our 2% relevance threshold, as the data has already been calculated, it is included in our GHG inventory because depending on the amount of capital expenditures this category may be relevant in the future.

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

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
868.19

Emissions calculation methodology
Average data method
Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
The data covers: Upstream emissions of purchased fuels such as natural gas, diesel oil and gasoline, Transmission & distribution losses arising from purchased electricity, Upstream emissions of purchased electricity. Fuel and electricity consumption data that is used in the Scope 1 and Scope 2 is used to calculate this category. Emission factors are obtained from DEFRA, 2022 emissions factors database. The calculation methodology is based on the GHG Protocol Corporate Value Chain- Scope 3 Standard. 100% of the activity data is taken from supplier invoices.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
3309.83

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Data regarding weight and distance carried by each transportation supplier affiliated with Temsa (transportation services purchased by TEMSA), as well as emissions resulting from transportation of the goods purchased by TEMSA were included in the calculation. These data were multiplied by DEFRA emission factors for the calculations. The activity data is collected from our internal records.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
259.38

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 and non-hazardous wastes reported to the Ministry by TEMSA in the reporting year. Emission factors are taken from DEFRA, 2022 emission factors database according to waste type and disposal method.
Activity data are taken from waste declaration sheets.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
467.32

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
100% of the activity data (flight distances) was obtained from TEMSA's travel agency. The flight distance data was multiplied by air travel emission factors obtained from the DEFRA 2022 emission factor database.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
685.23

Emissions calculation methodology
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
These data include emissions from the daily transportation of employees via shuttle buses on the road. The calculation was performed by multiplying the kilometer data received from the agency with the emission factor obtained from the DEFRA 2022 database. For the office in France, the calculation has been made based on the amount of consumed diesel fuel for the employee commuting. 100% of activity data was taken from transportation service providers.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As we calculate our Scope 1 and Scope 2 GHG emissions using operational control approach, GHG emissions from upstream leased assets are reported under Scope 1 and Scope 2 emissions.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1643.82

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
For this category, vehicle weight data and specific distance transported on the basis of Temsa customers are obtained. Emission factors are obtained from the DEFRA 2022 emission factors database.

Processing of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1339.33

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Temsa sells Bodyshell and battery semi-finished products. Battery semi-finished products are sold for use in electric vehicles, and these sales have started as of 2022
To calculate the GHG emissions from processing of the sold units, the annual electricity consumption of the sold bodyshell and battery is multiplied by the electricity emission factor calculated based on TEIAS data to calculate emissions.

Use of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1058282.96

Emissions calculation methodology
Average data method
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
The total liters and electricity consumed by electric and diesel vehicles over a period of 12 years and 800,000 km for heavy duty vehicles and 750,000 km for light duty vehicles in total life time, were calculated using the appropriate emission factor obtained from DEFRA. Emission calculations were made for refrigerants, assuming that the refrigerant gas is filled 1 time during the lifetime of the vehicles and the filling is R134A gas.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As detailed information about the breakdown of vehicle materials could not be obtained, it was not included in the calculations for this year.
"End-of-Life Vehicle Declaration" is a declaration process carried out in Turkey to ensure the removal of used and end-of-life (old) vehicles from circulation by following the relevant legal procedures. Since there are no end-of-life vehicles in the declaration made by TEMSA for 2022, the relevant emission category calculation is not relevant.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Franchises

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
587.09

Emissions calculation methodology
Franchise-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
We have made an analysis using Quantis Scope 3 evaluator using the operational area of our dealers. This is the first year we have calculated the GHG emissions from this category.

Investments

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
GHG Protocol Scope 3 Guidance outlines that for companies that choose operational control to compile their GHG inventory, the emissions from any asset the company wholly or partially owns but does not control are excluded from its direct emissions and should be included in its scope 3 inventory category 15.

TEMSA does not have any joint ventures, partnerships with financial gain, affiliates and equity investments that it does not have operational control over. Therefore, this Scope 3 category is not relevant for TEMSA.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We do not have any other upstream Scope 3 GHG emissions.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We do not have any other downstream Scope 3 GHG emissions.

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
0.00000132

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
5832.83

Metric denominator
unit total revenue

Metric denominator: Unit total
4408738634

Scope 2 figure used
Market-based

% change from previous year
69.88

Direction of change
Decreased

Reason(s) for change
Change in renewable energy consumption
Change in revenue

Please explain
Our GHG emissions/revenue has decreased from 0.00000439 to 0.00000132 showing a 69.88% decrease.
There are two major reasons behind this decrease:
1- In 2022 we have started using renewable energy, therefore our GHG emission were down 22.73%.
2- Our revenue has also increased by 156.54%.

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	3835.25	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	10.8	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	12.02	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	345.3	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 CO2e)
Turkey	4025.53
France	135.44
United States of America	42.39
Germany	0

C7.3

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

C7.3a

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

Business division	Scope 1 emissions (metric ton CO2e)
Production	3172.87
Sales & Maintenance	1030.5

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

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

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	3172.87	<Not Applicable>	The GHG emissions related to the production of our vehicles. Includes natural gas and CNG used only in production and also the forklifts that are used in the production processes.
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

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 CO2e)	Scope 2, market-based (metric tons CO2e)
Turkey	5592.36	1539.38
France	15.36	15.36
United States of America	72.06	72.06
Germany	2.65	2.65

C7.6

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

By business division

C7.6a

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

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Production	5142.76	1089.78
Sales & Maintenance	539.67	539.67

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
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	5142.76	1089.78	Starting from April 2022 we used renewable energy in our production plant in Adana.
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

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
Light Duty Vehicles (LDV)

Emissions intensity figure
0.0009639

Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e
298194.53

Metric denominator
t.km

Metric denominator: Unit total
309375000

% change from previous year
0

Vehicle unit sales in reporting year
1138

Vehicle lifetime in years
12

Annual distance in km or miles (unit specified by column 4)
62500

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

Please explain the changes, and relevant standards/methodologies used
This is our first year of calculation, therefore % change from previous year is given as "0".

Activity
Heavy Duty Vehicles (HDV)

Emissions intensity figure
0.0002574

Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e
738046

Metric denominator
p.km

Metric denominator: Unit total
2867200000

% change from previous year
0

Vehicle unit sales in reporting year
1536

Vehicle lifetime in years
12

Annual distance in km or miles (unit specified by column 4)
66667

Load factor
The load factor is calculated using average data. This category includes intercity busses, public transportation busses and midibuses.
For vehicles that are used in public transportation, we assumed they are about 1/2 full, for intercity buses we assumed they would be 72% full during each trip. We took a weighted average of occupancy figures and load factor is calculated as 28.

Please explain the changes, and relevant standards/methodologies used
This is our first year of calculation, therefore % change from previous year is given as "0".

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	4052	Decreased	53.68	In 2021 we didn't use any renewable energy. In our Adana plant, we have started using 100% renewable energy starting from April 2022. In 2022 we have consumed 8,579 MWh of renewable energy which equals to an emission reduction of 4,052 tCO2e. Our total Scope 1+Scope 2 GHG emissions for 2021 was 7,548.22 tons CO2e. The emissions value in percentage is calculated as follows: 4,052 tCO2e / 7,548.22 tCO2e = 53.68% reduction
Other emissions reduction activities	37.55	Decreased	0.5	We have reduced 37.55 tons of Scope 2 GHG emissions due to the emission reduction projects implemented in 2022. Our total Scope 1+Scope 2 GHG emissions for 2021 was 7,548.22 tons CO2e. The emissions value in percentage is calculated as follows: 37.55 tCO2e / 7,548.22 tCO2e = 0.5% reduction
Divestment	0	No change	0	No divestment in 2022.
Acquisitions	0	No change	0	No acquisitions in 2022.
Mergers	0	No change	0	No mergers in 2022.
Change in output	2374.16	Increased	31.45	The number of produced units increased by 41.57% with respect to 2021. This caused an increase of 2,374.16 tons in our GHG emissions. Our total Scope 1+Scope 2 GHG emissions for 2021 was 7,548.22 tons CO2e. The emissions value in percentage is calculated as follows: 2,374.16 tCO2e / 7,548.22 tCO2e = 31.45%
Change in methodology	0	No change	0	There was no change in methodology.
Change in boundary	0	No change	0	No change in boundary.
Change in physical operating conditions	0	No change	0	No change in physical operating conditions.
Unidentified	0	No change	0	No unidentified changes.
Other	0	No change	0	No other changes.

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	Yes

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	22755.02	22755.02
Consumption of purchased or acquired electricity	<Not Applicable>	8579.07	3910.3	12489.37
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	8597.07	26665.32	35244.39

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	Yes
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

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

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

Other biomass

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

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

Other renewable fuels (e.g. renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

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

Coal

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We do not use coal in our operations.

Oil

Heating value
LHV

Total fuel MWh consumed by the organization
4493.27

MWh fuel consumed for self-generation of electricity
3425.51

MWh fuel consumed for self-generation of heat
1067.76

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Diesel oil and gasoline consumed in company vehicles. Diesel oil consumed in generators.

Gas

Heating value
LHV

Total fuel MWh consumed by the organization
18261.75

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
18261.75

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Natural gas used in process and in heating. LPG used in forklifts. CNG used in off-road vehicles.

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

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We don't use any other non-renewable fuels.

Total fuel

Heating value
LHV

Total fuel MWh consumed by the organization
22755.02

MWh fuel consumed for self-generation of electricity
3425.51

MWh fuel consumed for self-generation of heat
19329.51

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	3425.51	3425.51	0	0
Heat	9550.38	9550.38	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

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
Physical power purchase agreement (physical PPA) with a grid-connected generator

Energy carrier
Electricity

Low-carbon technology type
Wind

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
8579.07

Tracking instrument used
Other, please specify (Turkish YEK-G (Proof of Renewable Energy Procurement))

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)
2011

Comment
As part of our agreement with our energy supplier we have a PPA that ensures the purchase of electricity from a WPP that our supplier owns.
As a part of this contract, wWe have purchased 100% renewable energy from Kilis Wind Power Plant, starting from 01.04.2022. The certificate of proof is uploaded under C-FI section of this report.

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)
11976.84

Consumption of self-generated electricity (MWh)
3425.51

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
9764.64

Total non-fuel energy consumption (MWh) [Auto-calculated]
25166.99

Country/area
France

Consumption of purchased electricity (MWh)
300.68

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
671.95

Total non-fuel energy consumption (MWh) [Auto-calculated]
972.63

Country/area
United States of America

Consumption of purchased electricity (MWh)
203.33

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
205.18

Total non-fuel energy consumption (MWh) [Auto-calculated]
408.51

Country/area
Germany

Consumption of purchased electricity (MWh)
8.52

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

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]
8.52

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
0.325

Metric numerator
tCO2

Metric denominator
Production: Vehicle

Metric numerator: Unit total
357.56

Metric denominator: Unit total
1100

% change from previous year
0

Please explain
We have produced 1100 LDV's in the reporting year. The emissions are allocated using the time spend for production of one unit of LDV in our plant. The % change in emissions value is given as 0 because this is our first year of calculation of this figure.

Activity
Heavy Duty Vehicles (HDV)

Metric figure
2.54

Metric numerator
tCO2

Metric denominator
Production: Vehicle

Metric numerator: Unit total
3905.09

Metric denominator: Unit total
1536

% change from previous year
0

Please explain
We have produced 1536 HDV's in the reporting year. The emissions are allocated using the time spend for production of one unit of HDV in our plant. The % change in emissions value is given as 0 because this is our first year of calculation of this figure.

C9. Additional metrics

C9.1

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

C-TO9.3/C-TS9.3

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

Activity
Heavy Duty Vehicles (HDV)

Metric
Sales

Technology
Battery electric vehicle (BEV)

Metric figure
61

Metric unit
Units

Explanation
In 2022 we have sold 61 electric vehicles which is 258.82% more than 2021.

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

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

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

Activity
Heavy Duty Vehicles (HDV)

Technology area
Battery electric vehicle

Stage of development in the reporting year
Large scale commercial deployment

Average % of total R&D investment over the last 3 years
16

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

Average % of total R&D investment planned over the next 5 years
47

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Electrifying all vehicles by 2040 is a crucial part of climate transition plans. This ambitious goal aims to promote sustainable transportation and combat climate change by transitioning from traditional internal combustion engine vehicles to battery electric vehicles. It aligns with climate plans, showing a commitment to reducing emissions and embracing cleaner technologies for a greener future.

Activity
Heavy Duty Vehicles (HDV)

Technology area
Automated and connected vehicles (level 4+)

Stage of development in the reporting year
Pilot demonstration

Average % of total R&D investment over the last 3 years
2

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

Average % of total R&D investment planned over the next 5 years
8

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Our long-term climate transition plan aims to electrify our entire product range by 2040 and achieve zero emissions by 2050. Transitioning all our products to electric vehicles in 2040 is closely linked to our climate transition goals and the advancement of autonomous vehicle technologies. This significant step promotes clean energy adoption and eco-friendly technologies, contributing to a more sustainable future.

Activity
Heavy Duty Vehicles (HDV)

Technology area
Alternative battery technology

Stage of development in the reporting year
Applied research and development

Average % of total R&D investment over the last 3 years
2

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

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

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Our climate transition plans aim to reduce emissions and promote sustainable energy sources. In line with these targets, we aim to achieve net zero goal by 2050. Alternative battery technologies play a crucial role in achieving these goals by enabling eco-friendly and low-carbon energy storage and usage.

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
Limited assurance

Attach the statement
TEMSA CDP CC Assurance Report_2023_combined.pdf

Page/ section reference
Temsa CDP CC Limited Assurance Report (for Adana plant)
Page 2: Relevant standard and assurance level
Page 5: Scope 1 GHG emissions

100% of the Scope 1 GHG emissions of Adana plant are verified by PwC.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
QSI_Assessment Report_EN Temsa.pdf

Page/ section reference
QSI Assessment Report (for İstanbul, USA, France and Germany Operations)
Page 3: Verification standard (ISO 14064-3 is used for these locations) & Assurance level
Page 7: Scope 1 GHG emissions for USA, France, İstanbul and Germany

100% of the Scope 1 GHG emissions in İstanbul, USA, France and Germany are verified by QSI.

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

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

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
TEMSA CDP CC Assurance Report_2023_combined.pdf

Page/ section reference
Temsa CDP CC Limited Assurance Report (for Adana plant)
Page 2: Relevant standard and assurance level
Page 5: Scope 2 GHG emissions (Location based)

100% of the Scope 2 GHG emissions of Adana plant are verified by PwC.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
QSI_Assessment Report_EN Temsa.pdf

Page/ section reference
QSI Assessment Report (for İstanbul, USA, France and Germany Operations)
Page 3: Verification standard (ISO 14064-3 is used for these locations) & Assurance level
Page 7: Scope 2 GHG emissions for USA, France, İstanbul and Germany

100% of the Scope 2 GHG emissions in İstanbul, USA, France and Germany are verified by QSI.

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

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
Limited assurance

Attach the statement
TEMSA CDP CC Assurance Report_2023_combined.pdf

Page/ section reference
Temsa CDP CC Limited Assurance Report (for Adana plant)
Page 2: Relevant standard and assurance level
Page 5: Scope 2 GHG emissions (Market based)

100% of the Scope 2 GHG emissions of Adana plant are verified by PwC.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

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
Limited assurance

Attach the statement
QSI_Assessment Report_EN Temsa.pdf

Page/ section reference
QSI Assessment Report (for İstanbul, USA, France and Germany Operations)
Page 3: Verification standard (ISO 14064-3 is used for these locations) & Assurance level
Page 7: Scope 2 GHG emissions for USA, France, İstanbul and Germany

100% of the Scope 2 GHG emissions in İstanbul, USA, France and Germany are verified by QSI.

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: Capital goods
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: Upstream leased assets
Scope 3: Investments
Scope 3: Downstream transportation and distribution
Scope 3: Processing of sold products
Scope 3: Use of sold products
Scope 3: End-of-life treatment of sold products
Scope 3: Downstream leased assets
Scope 3: Franchises

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
QSI_Assessment Report_EN Temsa.pdf

Page/section reference
QSI Assessment Report (for İstanbul, USA, France and Germany Operations)
Page 3: Verification standard (ISO 14064-3 is used for these locations) & Assurance level
Page 4: Assessment of non-relevance of Scope 3 Categories 8, 12, 13, 14, 15
Page 7: Scope 3 GHG Emissions for Categories 1, 2, 3, 4, 5, 6, 7, 9, 10, 11

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?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C7. Emissions breakdown	Other, please specify (Scope 1 Emissions Breakdown per Country)	ISO 14064-3 (QSI Assessment Report) ISAE 3410 (PwC Assessment Report)	Our Scope 1 GHG emissions in USA, France and Germany are Verified by QSI. Our Scope 1 GHG emissions in İstanbul and Adana (total of which makes up our scope 1 emissions in Türkiye) are verified by PwC and QSI. QSI_Assessment Report_EN Temsa.pdf TEMSA CDP CC Assurance Report_2023_combined.pdf
C8. Energy	Energy consumption	ISAE3000	Our total energy consumption in Adana plant is verified by PwC within the scope of our Sustainability Report verification. Temsa 2022 Limited Assurance Report.pdf
C8. Energy	Renewable energy products	ISAE3000	Our renewable energy purchases in Adana plant is verified by PwC within the scope of our Sustainability Report verification. Temsa 2022 Limited Assurance Report.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization 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
Change internal behavior
Navigate GHG regulations
Set a carbon offset budget

Scope(s) covered
Scope 1
Scope 2

Pricing approach used – spatial variance
Differentiated

Pricing approach used – temporal variance
Evolutionary

Indicate how you expect the price to change over time
We have worked with a consultant to identify the impacts of emissions trading and carbon taxation mechanisms on our business especially for the EU and Turkish markets. Depending on the market conditions 3 scenarios were studied.
Scenario 1: Good economic environment (steeper price effect)
Scenario 2: Simple economic environment (base effect)
Scenario 3: Weak economic environment (less steep price effect)
In all 3 scenarios and in both markets the prices are expected to increase over time.

For Scenario 1:
In Türkiye, an ETS mechanism is expected to be operational after 2024, the prices are expected to increase starting from 2025 and between 2025 and 2030 the carbon price is expected to increase around 400%.
For the EU market as it is an already established market, the prices are expected to have a less steep increase of around 145% between 2022-2030.

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)
689.69

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)
3382.07

Business decision-making processes this internal carbon price is applied to
Capital expenditure
Product and R&D
Risk management
Opportunity 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
The carbon price contributes especially to assessing and managing climate-related risks and opportunities. It also contributes to internal decision making process especially for capital expenditures related to emission reduction/energy efficiency projects.

C12. Engagement

C12.1

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

Yes, our suppliers
Yes, our customers/clients

C12.1a

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

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Invest jointly with suppliers in R&D of relevant low-carbon technologies

% of suppliers by number
10

% total procurement spend (direct and indirect)
1.38

% of supplier-related Scope 3 emissions as reported in C6.5
1.6

Rationale for the coverage of your engagement
In order to reduce our climate-related impacts and find permanent and reliable solutions for the increasing need for electrification in the transportation industry we focus on R&D.
For this supplier engagement activity, we have selected to work with two of our suppliers. These suppliers were selected because of our ongoing relationship and their proven expertise in the relevant sectors.
With these two suppliers, we jointly invested in development of the following low carbon-technologies:
1- Long Life Hybrid battery packs which will contribute to a sustainable transportation system by increasing the lifetime of vehicles.
2- AI based predictive maintenance software
Although these two suppliers do not represent a high percentage in our number of suppliers and procurement spend, if we are successful these two projects have a potential to impact our entire sustainable products portfolio.

Impact of engagement, including measures of success
We have different measures of success for both projects as follows:
For project 1:
Development of a battery pack that lasts at least 5 times longer than the regular battery packs.

For project 2:
- Preventing possible accidents by detecting malfunctions immediately in at least 8 out of 10 vehicles
- Preventing disruption of business continuity by predicting the life of critical parts in at least 8 out of 10 vehicles
- Reducing costs by 10% using performance data
- Increasing the profitability of spare parts sales by 10%

A description of the impact of climate-related supplier engagement strategy according to the measure of success chosen:
For project 1:
This low-cost, easy-to-produce innovation contributes to sustainable energy. The project targets competitive pricing for TEMSA buses domestically and internationally. It will also benefit other bus manufacturers and support Turkey's leadership in electric bus production and sustainable energy goals. The project is expected to enter the productization phase in 2023 and the commercialization phase in 2025, contributing to the national economy.

For project 2:
The main impact for this project will be using AI for predictive maintenance on our electric buses. Sensors will gather data from the buses' engines and running gear, which will then be analyzed by AI to determine maintenance needs. This innovative approach aims to reduce unexpected maintenance costs by 20% and achieve overall savings of at least 10%. The project's ultimate goal is to revolutionize smart fleet management in the bus industry through the use of AI technology.

As both projects are still under development, the measurable impacts of the projects according to the measures of success identified will only be visible after 2023 the earliest.

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
43

% of customer - related Scope 3 emissions as reported in C6.5
35.96

Please explain the rationale for selecting this group of customers and scope of engagement
Our customer profile consists of municipalities, individuals, corporate and dealers. We selected our corporate and municipality clients throughout the world for this engagement activity because they make up 43% of our customers by number, they are also likely to have more climate-related impacts then individual customers, and with all the emerging regulation, especially in the EU they will be the ones who would be demanding rapid and radical changes from us.

Therefore, we believe it is extremely important for us to inform our customers about the climate performance about our existing and upcoming products.

Within the scope of this engagement activity we inform our corporate and municipality clients and other potential clients about our new battery electric vehicle product line and their climate performance.

Impact of engagement, including measures of success
Description of measure of success:
As a measure of success of this engagement activity we use % of increase in the number of sales of our electric vehicles with respect to the previous year. If the percentage of increase is more than 25% we accept the engagement activity as a successful one.

Description of the impact of the engagement activity:
In 2021 we have sold 17 electric vehicles.
In 2022 we have sold 61 electric vehicles.

The number of units sold has increased by 258,82%, therefore the engagement activity is assessed to be successful.

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
Complying with regulatory requirements

Description of this climate related requirement
100% of our suppliers are requested to comply with TEMSA's Responsible Sourcing Policy (RSP)which is an integral part of our Supplier Contracts. TEMSA suppliers should carry out their activities in line with the environmental legislation including climate-related regulatory requirements.

% 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
Second-party verification

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, our membership of/engagement with trade associations 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)

TEMSA _SBTi_Commitment_Letter.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

Our Board Chairman is the only responsible for engaging with external parties related to issues that can influence climate-related policy. The Chairman of our Board is the driving force behind all our efforts related to climate change and he has the utmost knowledge about our climate commitments and our climate transition plan because he is the one who approves and oversees all our climate-related activities.

Therefore, there is no risk of our external engagement activities being inconsistent with our climate commitments.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

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 (TUSIAD, Turkish Industry and Business 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
TÜSİAD is a voluntary, independent, non-governmental organization dedicated to promote welfare through private enterprise.

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

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
7500

Describe the aim of your organization's funding
The funding figure provided is the membership fees paid in 2022.

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 (OSD, Turkish 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
The Automotive Manufacturers Association (Otomotiv Sanayii Derneği - OSD) is an organization established in 1974 with the mission of promoting and developing the automotive industry in Turkey. It consists of 14 member companies & employs a team of experts from various fields related to the automotive sector.
OSD is a member of The International Organization of Motor Vehicle Manufacturers (OICA) since January 1995. This membership allows OSD to represent the Turkish automotive industry at the international level & participate in global discussions & initiatives related to the automotive sector.
Since March 2006, OSD has taken on the responsibility of representing Turkey in both local & global developments, especially those related to technical legislation & global trade, including climate-related regulations. To fulfill this role effectively, OSD established a Liaison Committee, which includes representatives from associations & companies representing the automotive industries of European Union (EU) countries. This committee operates within the framework of the European Automobile Manufacturers' Association (ACEA).
Through its participation in international organizations like OICA and ACEA, OSD ensures that the Turkish automotive industry remains well-informed about global trends, regulations, and best practices. By actively engaging with various stakeholders and keeping up with emerging developments in the automotive sector, OSD aims to contribute to the growth and success of the Turkish automotive industry on the global stage.
TEMSA is one of the 14 members of OSD and shares the mission of OSD and represents the Turkish Automotive Industry which positions itself as a significant player in the ever-evolving global automotive ecosystem. Being member of OSD enables TEMSA to effectively represent the interests of the Turkish automotive sector on both national and international platforms. As part of OSD's membership, TEMSA gains opportunities to collaborate with other industry stakeholders, working towards common goals to combat climate change and interests related to the Turkish automotive industry.
TEMSA's participation supports efforts to strengthen the Turkish automotive industry's position in the global market, making it more competitive. Additionally, by actively engaging in international relations and policy-making processes, we publicly promote OSD's position on climate change.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
236000

Describe the aim of your organization's funding
The funding figure provided is the membership fees paid in 2022.

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

C12.4

(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 voluntary sustainability report

Status
Underway – previous year attached

Attach the document
TEMSA 2021-SR-Emissions.pdf

Page/Section reference
Related sections of the sustainability report is attached. The whole of the 2021 Sustainability Report can be reached at:
https://api.temsa.com/_o/dev/18b9fdee-e6e7-4d5e-a401-457d85532f1d---temsa-sustainability-report-2021.pdf
As the report size was over 35 MB only related pages are attached.

Content elements
Governance
Strategy
Emissions figures

Comment
TEMSA is not a publicly traded company, therefore all of our efforts in sustainability are voluntary. We are also not required to publish annual reports.

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

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	Scope of board-level oversight
Row 1	No, but we plan to have both within the next two years	<Not Applicable>	<Not Applicable>

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	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, but we plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

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
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
No

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	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years	<Not Applicable>

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
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

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 voluntary sustainability report or other voluntary communications	Impacts on biodiversity	TEMSA 2021 SR-Biodiversity.png

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.

The certificate for proof of renewable energy is attached.
TEMSA YEK-G.pdf

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	Chief Executive Officer	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