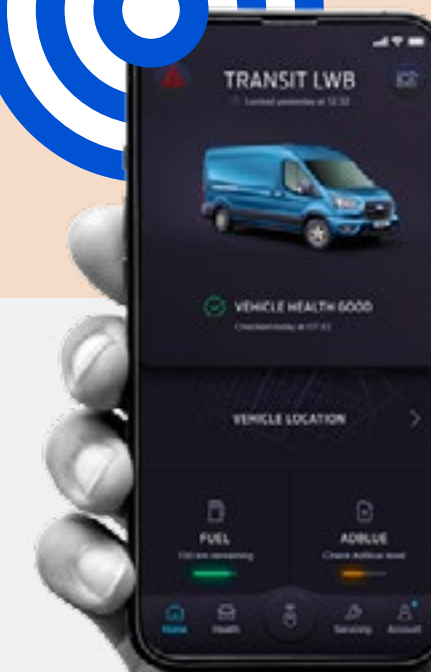
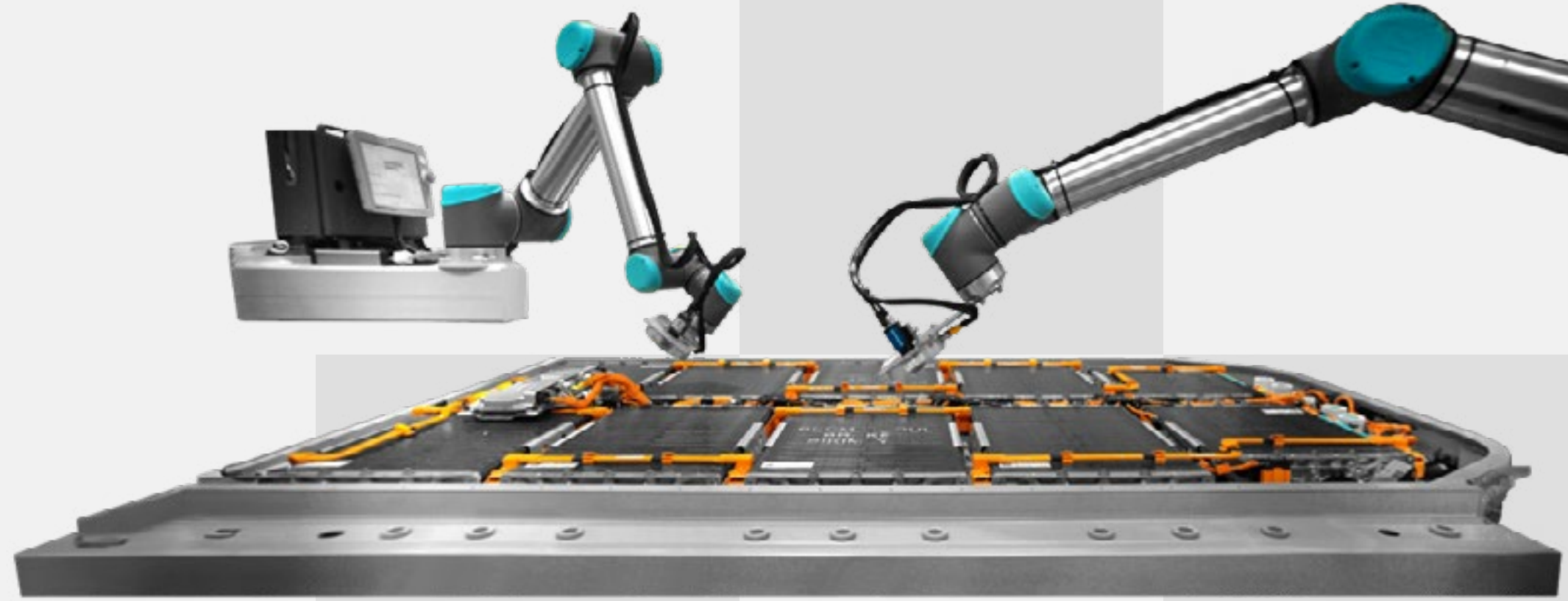


# FUTURE.

# NOW

2023  
INTEGRATED  
ANNUAL  
REPORT  
EXECUTIVE  
SUMMARY

FORD OTOSAN





# ABOUT THE REPORT

For all your questions, opinions and suggestion about this report:



esg@ford.com.tr

yatirimciiliskileri@ford.com.tr

ir@ford.com.tr



The assurance report for the financial statements in this report is provided on page **245**.



The assurance report for the non-financial data in this report is provided on page **330**.

Clicking on the **colored words** will take you to the relevant content.

The abbreviations used in this report are listed on page **346**.

At Ford Otosan Sanayi A.Ş., our commitment to sustainability is an integral part of our corporate approach, as we actively pursue fair, transparent, and accountable management practices. As a testament to this commitment, we have proudly joined **UN Global Compact (UNGC)** as a signatory, while we manage all our business processes in a manner to contribute to the Sustainable Development Goals.

The sustainability efforts of Ford Otosan Sanayi A.Ş. have earned recognition on several fronts, such as listing in indices like Borsa Istanbul (BIST) Sustainability, BIST Corporate Governance, FTSE4Good Emerging Markets, and **Bloomberg Gender-Equity Index (GEI)** (since 2021). As a further demonstration of our dedication, we have actively responded to **Dow Jones Sustainability Emerging Markets Index (DJSI)** for the last five years and to the climate and water programs of **CDP**. In 2022, we submitted our emission reduction targets to the **Science Based Targets initiative (SBTi)**. Furthermore, we are among the companies supporting the **Task Force on Climate-related Financial Disclosures (TCFD)** (please see page **72** for the detailed TCFD table). As a proud signatory of **United Nations Women's Empowerment Principles (WEPs)**, we promote gender equality. Our commitment extends to upholding the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

Ford Otosan's inaugural Integrated Annual Report is designed to offer our stakeholders a comprehensive understanding of our value creation efforts over the short, medium, and long term. Covering the period from January 1, 2023 to December 31, 2023, the report provides an overview of our activities in Türkiye and Romania throughout the year, our financial and non-financial performance, our responses to global and sectoral trends, our Future. Now strategy along with our associated short-, medium- and long-term goals and corresponding performance metrics. We also share insights into our value creation model, material issues, our corporate, strategic and risk management approaches and details about our relationships with stakeholders. Additionally, we highlight best practices and set forth our expectations. This comprehensive report has been prepared in accordance with the Turkish Financial Reporting Standards (TFRS), the Integrated Reporting <IR> Framework and the Global Reporting Initiative (GRI) Standards. As a company subject to the Turkish Accounting Standards (TAS)/ Turkish Financial Reporting Standards (TFRS), we have taken as basis the inflation-adjusted and independently audited financial data for the financial results of 2022 and 2023 stated in the Integrated Annual Report in accordance with TAS 29 and pursuant to the Capital Markets Board's resolution of December 28, 2023.



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# SHAREHOLDER STRUCTURE AND INVESTOR RELATIONS

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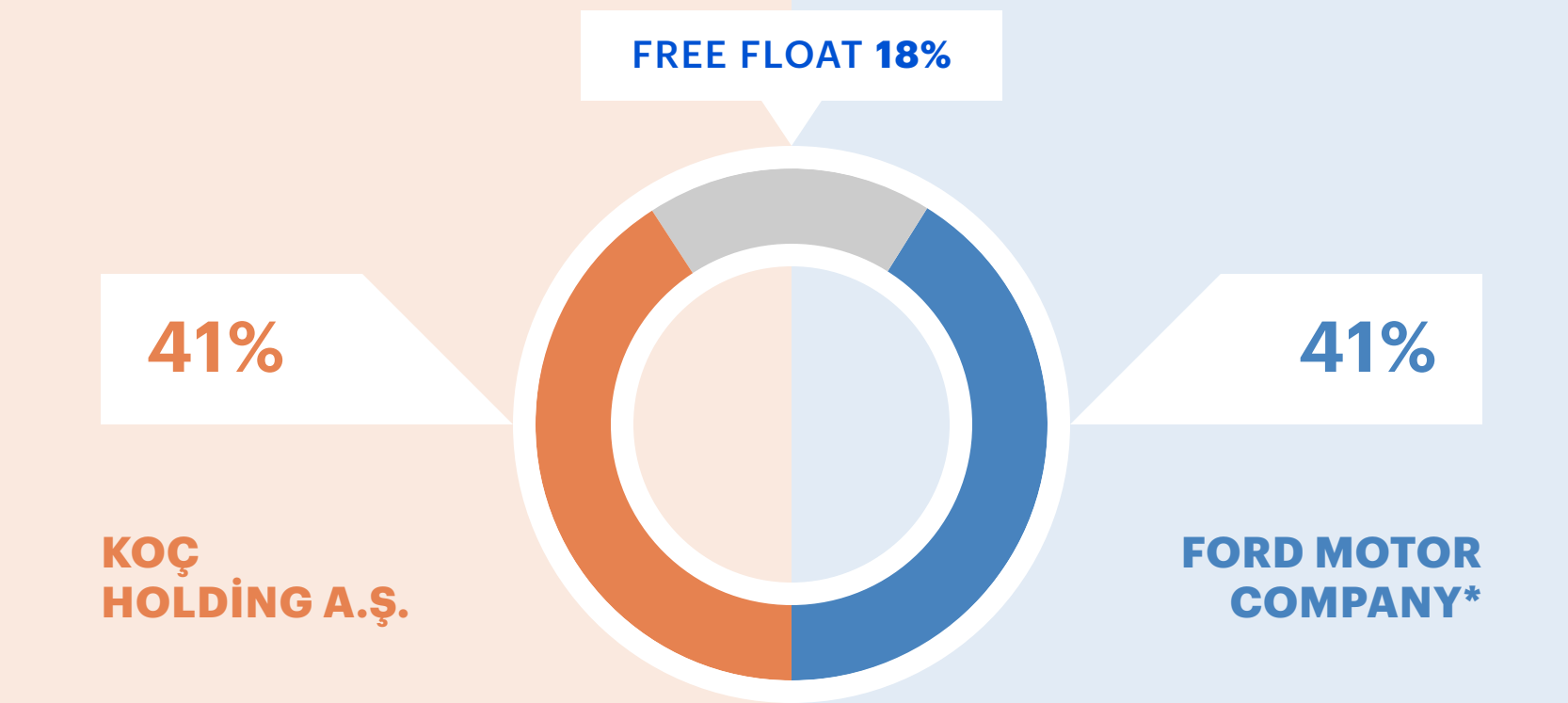
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## STRONG AND COMMITTED SHAREHOLDER STRUCTURE



Koç Holding, founded in 1926, is Türkiye's largest conglomerate in terms of revenues, exports, share in Borsa İstanbul's market capitalization, and job generation. In addition to maintaining its leadership position in Türkiye, Koç Group focuses on sustainable and profitable growth with the mission of being a key regional and global player.

Ford Motor Company (NYSE: F) is a global company based in Dearborn, Michigan. The company's Ford+ plan for growth and value creation combines existing strengths, new capabilities and always-on relationships with customers to enrich experiences for customers and deepen their loyalty. Ford develops and delivers innovative, must-have Ford trucks, sport utility vehicles, commercial vans and cars and Lincoln luxury vehicles, along with connected services. The company does that through three customer-centered business segments: Ford Blue, Ford Model e, and Ford Pro. Additionally, Ford is pursuing mobility solutions through Ford Next, and provides financial services through Ford Motor Credit Company. Ford employs about 173,000 people worldwide.

\* Ford Deutschland Holding GmbH: 100% owned by Ford Motor Company.

Ford Otosan, a Group A share, is traded on BIST Stars. With its commitment to sustainability, Ford Otosan is also a constituent of BIST Sustainability Index, FTSE4Good Emerging Markets Index and Bloomberg Gender-Equality Index (as of 2021), which are the important indices for responsible investment decisions. Ford Otosan also responds to CDP's climate change and water security programs and supports the Task Force on Climate-Related Financial Disclosures (TCFD).

IPO	13 January 1986
Ticker	FROTO.IS
Paid-in Capital	TL 350,910,000
Registered Capital Ceiling	TL 500,000,000

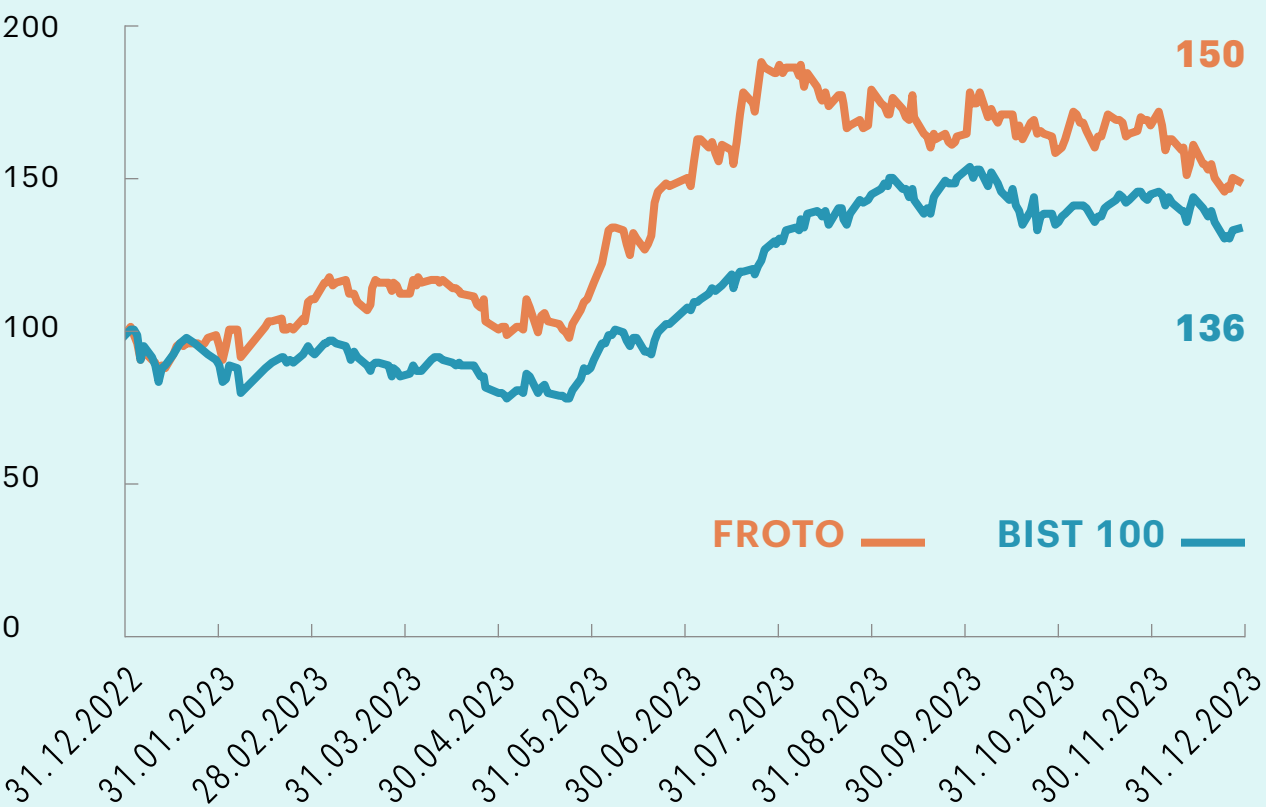
### 2023 Key Indicators

Closing price	TL 739.5
Market cap	\$8,815 million
Highest (Intraday)	TL 953.17
Lowest (Intraday)	TL 419.64
Foreign Share in Free Float	40%
Average Trading Volume	\$1.199 billion

## STRONG SHARE PERFORMANCE

In 2023, BIST-100 rose by 36% on TL basis, while Ford Otosan's share price outperformed BIST-100 by 14% and rose by 50%. With a market cap of \$8.815 million, Ford Otosan ranked as the most valuable automotive company and fifth overall among BIST companies. Foreign share in free float stood at 40%.

## RELATIVE SHARE PERFORMANCE





INVESTOR RELATIONS PROGRAM IN  
GLOBAL STANDARDS

In 2023, the Investor Relations team attended 10 conferences and roadshows, meeting with local and international investors. The team also responded to the questions and information requests from existing and potential investors and analysts, and submitted reports on Investor Relations activities and share performance to the Corporate Governance Committee and senior management.

The Investor Relations activities were carried out by using all available communication channels proactively, transparently and consistently through online and in-person meetings, sharing information with more than 350 investors and analysts about the company’s strategic, financial, operational, and sustainability performance. Quarterly earnings calls were held with the CFO in attendance to inform the investors and analysts. The department also began to provide the audio recordings and their transcripts on the corporate website for all investors to access.

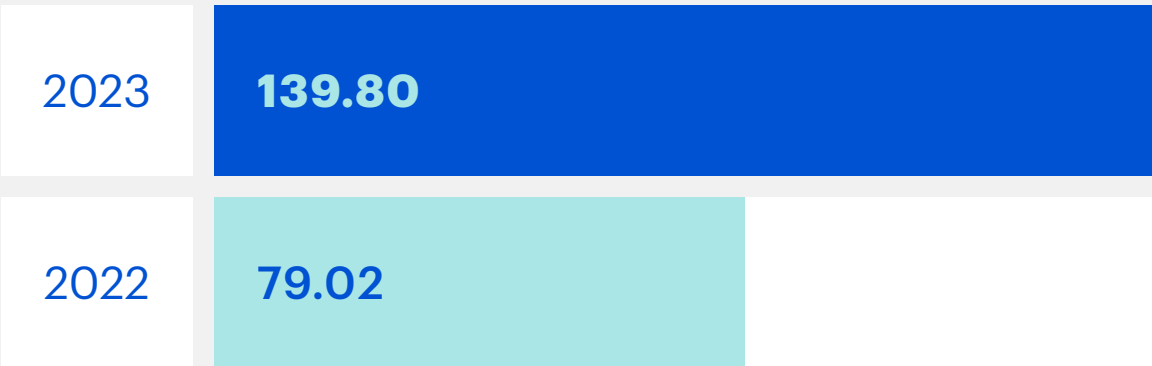
Ford Otosan provides regular, up-to-date information for stakeholders via its corporate website and investor presentations.

SHARE INFORMATION AND DIVIDEND YIELD

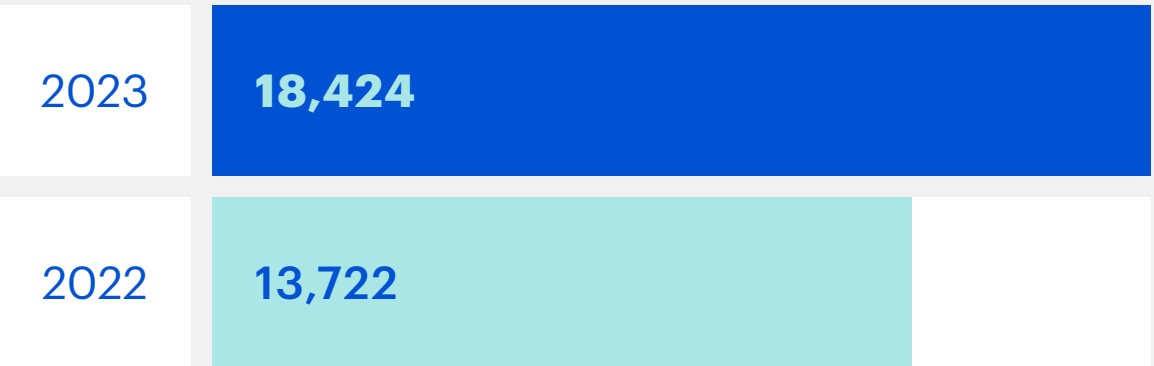
The investor relations department aims for Ford Otosan to reach its fair market value and share price, and follow a dividend policy that ensures dividend distribution to the shareholders in alignment with the long-term company strategy and financial discipline.

Currently, intermediary institutions in Türkiye and abroad publish analyst reports about Ford Otosan. As of year-end 2023, 15 analysts recommended “Buy” and 5 recommended “Hold” for Ford Otosan shares, while no analysts recommended “Sell.”

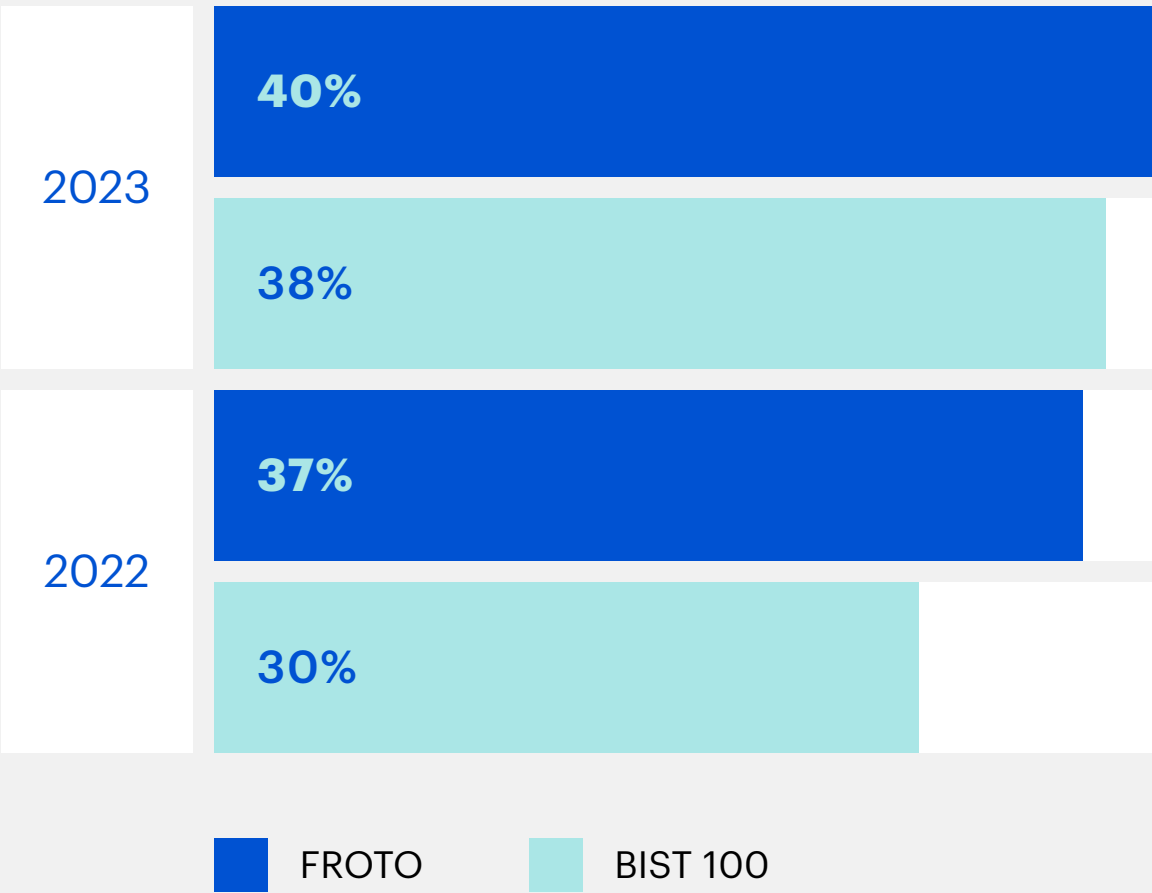
Growing EPS (Earnings per share, Kr)



Surging Dividend Distribution (TL million, Gross)



Institutional Investor Base  
(Share of Foreign Investors in Free Float)



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# FINANCIAL PERFORMANCE THROUGH THE YEARS



		1997*		2023
	Production Capacity (Units)	47,000	 16 times	746,500
	Production (Units)	43,102	 14 times	589,758
	Exports (Units)	667	 738 times	492,082
	Export Revenues (USD)	16 million	 637 times	10.2 billion
	Revenues (USD)	850 million	 16 times	14 billion
	Employees	3,406	 7 times	23,701
	Market Cap (USD)	1.1 billion	 8 times	8.8 billion

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\* The year the shares of Koç Holding and Ford Motor Company in Ford Otosan were equaled.

# SUMMARY RESULTS

	2022	2023
KEY INDICATORS (TL million)		
Revenues	322,556	411,906
Export Revenues	251,011	301,628
Domestic Revenues	71,545	110,278
Gross Profit	36,599	55,248
Operating Profit	27,271	44,017
EBITDA	34,630	50,730
Profit Before Tax	25,447	47,428
Net Profit	27,730	49,056
Earnings per Share	79.02	139.80
CASH POSITION (TL million)		
Cash & Cash Equivalents	16,666	15,225
Total Financial Debt	62,479	75,755
Net Financial Debt	45,813	60,531

	2022	2023
FINANCIAL RATIOS (%)		
Current Ratio	1.20	1.09
Liquidity Ratio	0.81	0.68
Net Financial Debt / EBITDA	1.32	1.19
Current Assets / Total Assets	0.52	0.47
Current Liabilities / Total Liabilities	0.62	0.65
Total Liabilities / Total Assets	0.71	0.66
Return on Equity	54.2	67.2
MARGINS (%)		
Gross Margin	11.3	13.4
EBITDA Margin	10.7	12.3
Operating Margin	8.5	10.7
Net Income Margin	8.6	11.9
OTHER (TL million, Gross)		
Dividend Payments	13,722	18,424

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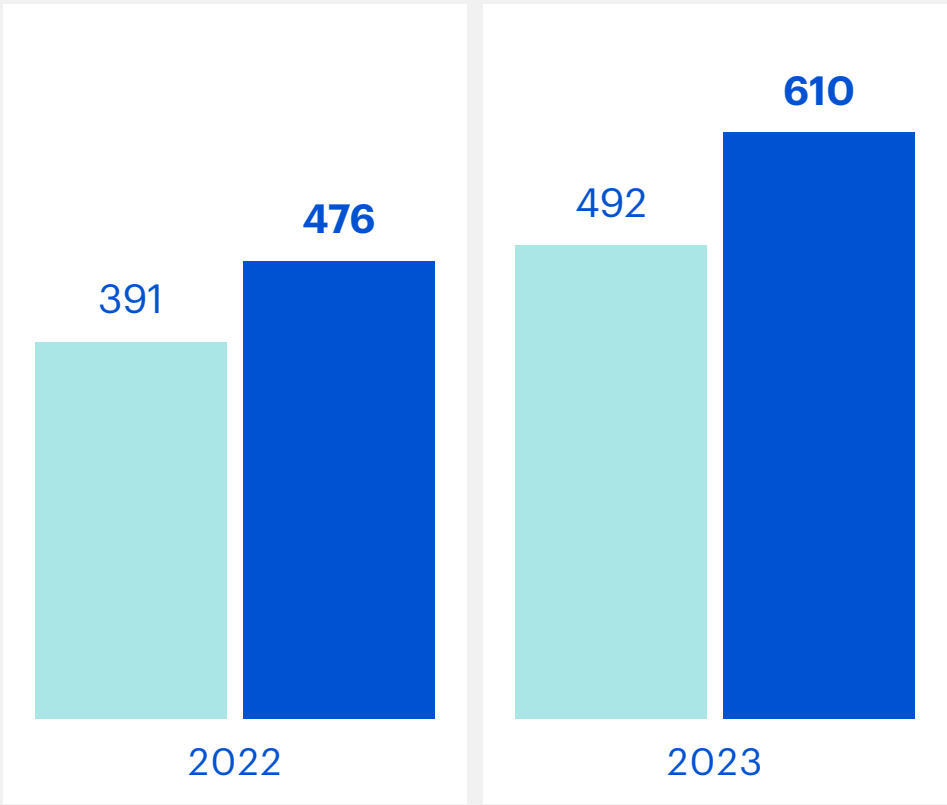
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# KEY FINANCIAL INDICATORS

## TOTAL SALES (Thousand units)

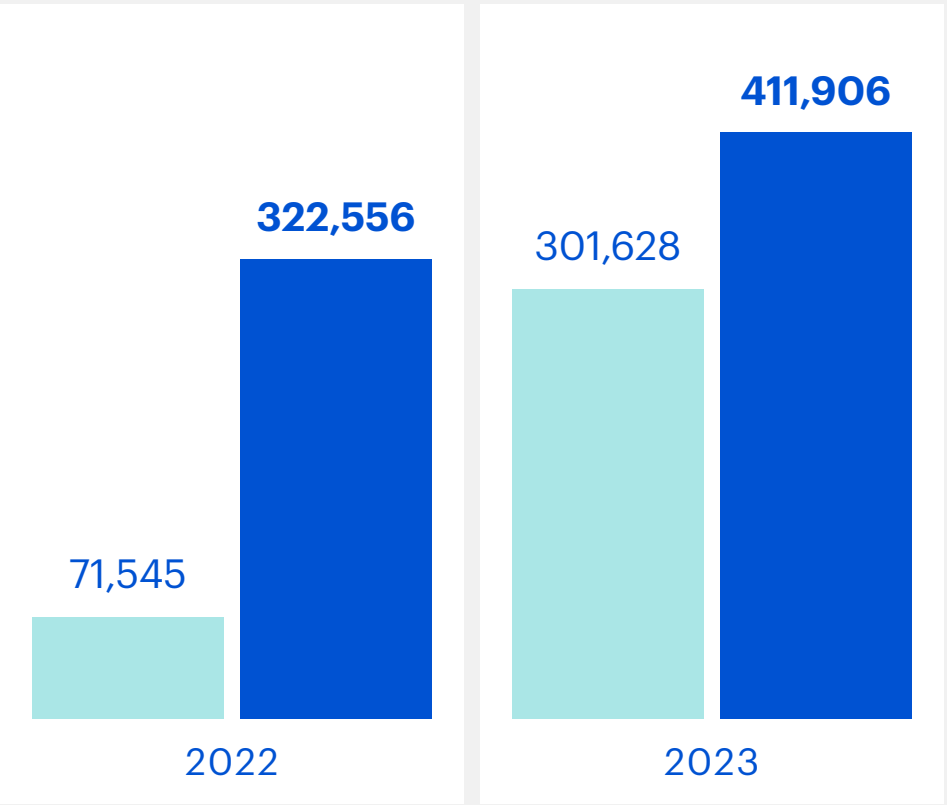


Total sales volume in the Turkish automotive industry increased by 56% YoY to a record-high 1,277,846 units in 2023 (increase in all segments, annual changes: 63% in passenger cars, 33% in light commercial, 50% in medium commercial and 19% in truck segments). Vehicle purchases used as investment instruments in an inflationary environment and improvements in vehicle availability were the key drivers of this increase. The share of passenger cars in the total industry rose to 75.7% (2022: 72.13%), while the share of light and medium commercial vehicles dropped to 20.8% (2022: 23.2%).

Our domestic wholesale volume increased by 38% YoY to 117,582 units. Total export volume reached 492,082 units with an increase of 26% YoY. Total sales grew by 28% with strong export performance and reached an all-time high of 609,664 units.

Exports Total

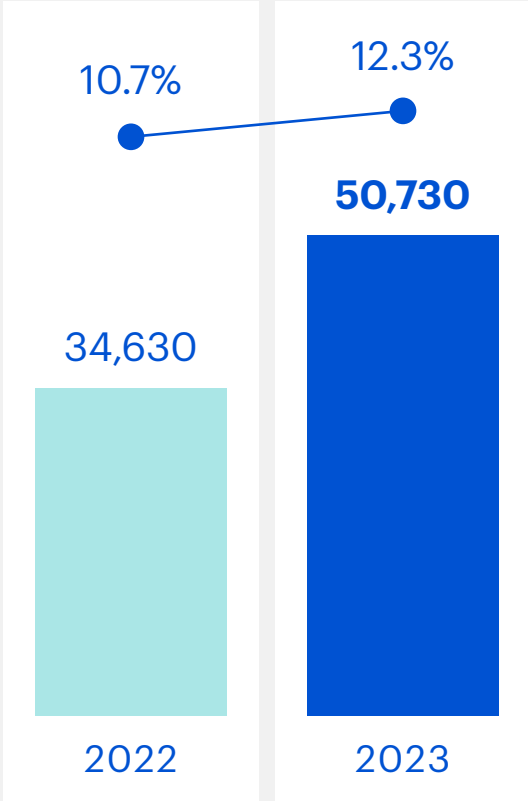
## SALES REVENUES (TL million)



Driven by a 38% increase in sales volume and the continued pricing discipline, our domestic sales revenues increased by 54% YoY to TL 110,278 million. Export revenues increased by 20% YoY to TL 301,628 million, supported by the Craiova Plant's contribution to a 26% increase and the exchange rates rising by an average of 48% YoY. Total sales revenues increased by 28%, reaching TL 411,906 million, supported by a 28% increase in sales volumes.

Exports Total

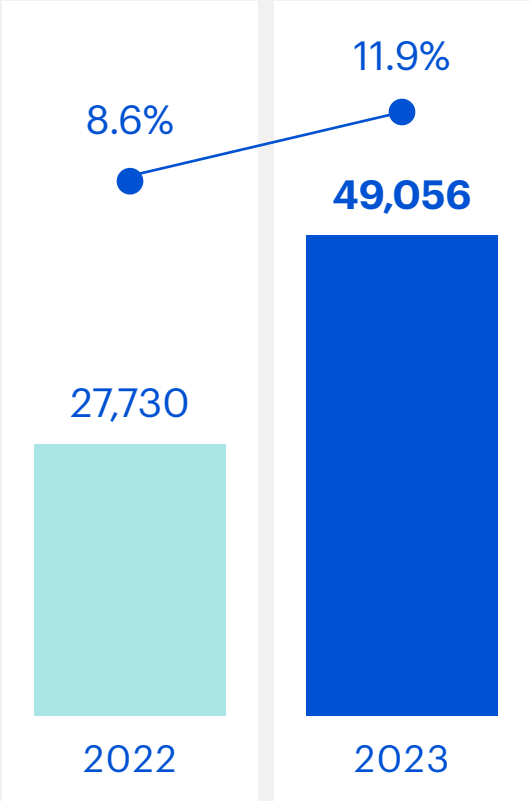
## EBITDA (TL million)



Profitability remained strong in 2023. In the reporting period, EBITDA grew by 46% YoY to TL 50,739 million. This performance was supported by strong domestic sales, continued pricing discipline, cost reduction measures, effective cost management, and average annual exchange rate increase of 48%.

Margin

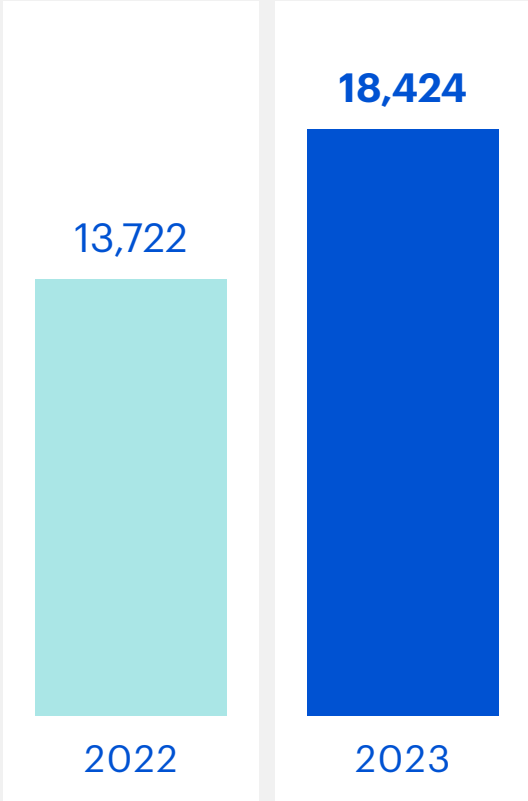
## NET PROFIT (TL million)



In 2023, Net Financial Expenses amounted to TL 14,947 million with an annual increase of 84%. In the reporting period, Profit Before Tax increased by 86% YoY, reaching TL 47,428 million TL, supported by earnings of TL 15,559 million due to the high liability position in 2023. Net Profit increased by 77% YoY, amounting to TL 49,056 million due to the effect of Deferred Tax Revenue, which was partially offset by the additional earthquake tax.

Margin

## DIVIDENDS (TL million, Gross)



In 2023, a record high gross dividend of TL 18 billion 424 million was paid out in two installments. The total dividend paid out by Ford Otosan reached USD 5.6 billion in the period from 2004 to 2023.

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# FACILITIES AND PRODUCTS

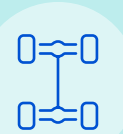
## PRODUCTION CAPACITY



**746,500**  
VEHICLES



**437,500**  
ENGINES



**140,000**  
REAR AXLES



**15,000**  
TRANSMISSIONS

**81%**

CAPACITY  
UTILIZATION

**IN TÜRKİYE  
AND ROMANIA**



**23,701**  
EMPLOYEES



**2,298**  
R&D EMPLOYEES

## GÖLCÜK PLANT



- Opened in: **2001**
- Covered Area: **340 thousand m²**
- Annual production capacity: **207 thousand**
- The only Ford Plant and one of the four automotive factories worldwide to enter the WEF's Global Lighthouse Network**
- Capacity utilization rate: **88%**



Transit

## YENİKÖY PLANT



- Opened in: **2014** (Reopened in: **2023**)
- Covered Area: **255 thousand m²**
- Annual production capacity: **245 thousand vehicles**
- Environment- and disabled-friendly** manufacturing site
- Flexible and integrated facility** capable of producing both ICE and electric vehicles
- Capacity utilization rate: **93%**



Custom

## CRAIOVA PLANT



- Opened in: **1976**
- Covered Area: **600 thousand m²**
- Annual production capacity: **272 thousand vehicles** (Puma can go up to 189k, and Courier up to 100k with flexible production)
- Annual production capacity: **350 thousand engines**
- Capacity utilization rate: **75%**



Puma



Courier



1.0 EcoBoost

## ESKİŞEHİR PLANT



- Opened in: **1982**
- Covered Area: **119 thousand m²**
- Annual production capacity: **22.5 thousand trucks**
- Annual production capacity: **87.5 thousand engines**
- Annual production capacity: **140 thousand** rear axles (Transit)
- Annual production capacity: **15 thousand** transmissions
- Capacity utilization rate: **98%**



F-MAX



F-LINE



Ecotorq Engine



Transit Rear Axle



2.0 L EcoBlue Engine



Ecotorq Transmission

## R&D CENTERS

- 2,298 R&D employees** across four centers
- Sancaktepe** R&D Center
- Gölcük** R&D Center
- Eskişehir** R&D Center
- METU** Technocity

## SPARE PARTS CENTERS

- Sancaktepe** Spare Parts Warehouse
- Germany** Ford Trucks Spare Parts Warehouse
- Poland** Ford Trucks Spare Parts Warehouse

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<b>GOVERNANCE</b> 	Gölcük Plant is one of the four automotive factories worldwide, the first in Türkiye and the only Ford plant to be included World Economic Forum's (WEF) Global Lighthouse Network as a result of its <b>Industry 4.0 activities and smart factory applications.</b>	Accounting for <b>37% of automotive production</b> in Romania	Accounting for <b>77%</b> of commercial vehicle production <b>88%</b> of commercial vehicle exports <b>40%</b> of total vehicle production <b>in Türkiye</b>	<b>Turkish commercial vehicle market leader with 27.3%</b> market share	Export revenues in 2023 <b>USD 10.2 billion</b>
		<b>Ford's largest commercial vehicle production hub in Europe</b> with an annual production capacity of <b>746,500 units</b> (2 countries and 4 sites)		<b>3rd place in the total automotive market with 8.9%</b> share	<b>9.42 out of 10</b> in the first Corporate Governance Compliance Rating conducted in 2023
	Türkiye's <b>2nd largest industrial enterprise</b>	<b>Yeniköy Plant: The first and only factory in Türkiye</b> with the capability to manufacture both ICE and electric vehicles on the same line	<b>Largest R&amp;D Center</b> in a single location and <b>Industrial Company to receive the highest EU funding</b> in Türkiye	<b>USD 8.8 billion</b> market cap	
				Export champion of Türkiye for <b>8</b> consecutive years and of the automotive industry for <b>12</b> consecutive years	<b>27% female representation</b> on the Board of Directors

<b>ENVIRONMENT</b> 	<b>"A -" score</b> in CDP's Climate Change Program	R&D spending on various product development projects amounted to <b>TL 5,038,624,251</b> before capitalization and <b>TL 3,924,501,293</b> after capitalization	Ford Otosan completed the Horizon 2020 program with <b>20 projects and Euro 7.73 million funding in total</b> , becoming this program's <b>highest funded industrial company</b> in Türkiye. As announced on TÜBİTAK's official website on October 26, 2023, we rank first among the industrial companies that have received the <b>highest funding with a total of Euro 7.27 million for 16 projects</b> within the Horizon Europe program.	LCA on <b>99.99%</b> of products
	Turkish automotive industry's most <b>competent R&amp;D</b> with <b>2,298</b> employees	<b>"A-" score</b> in CDP's Supplier Engagement Rating (SER)		<b>Responsible supply chain</b> roadmap created with critical suppliers.

<b>SOCIAL</b> 	<b>Highest employment</b> in the Turkish automotive industry: total <b>23,701 employees</b> in Türkiye and Romania	Ratio of <b>women in all management roles</b> across all sites in Türkiye: <b>24.18%</b>	In 2023 <b>4,600</b> employees, <b>700+</b> teams and <b>800+</b> roles <b>fully integrated into agile work</b>	<b>2,601,810</b> person × hours of <b>training</b>	<b>"Contributions to Industry"</b> and <b>"Investment Project of the Year"</b> awards presented by the Romanian Automotive Industry to Ford Otosan's Romania Plant in 2023 in recognition of the electrification and digitalization investments.
	<b>Highest female employment</b> ratio among Turkish automotive manufacturers: <b>3,914</b> female employees	<b>The first and only automotive company</b> from Türkiye to be included in the <b>Bloomberg Gender-Equality Index</b>	<b>520,958</b> person × hours of <b>OHS training</b>	<b>TL 63.3</b> million <b>training expenditure</b>	
				<b>TL 576.9</b> million <b>allocated for donations and project activities</b>	<b>20.4%</b> decrease in the number of customers contacting Technology and Customer Experience Center for complaints and <b>55%</b> shorter resolution times.

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# TURKISH AUTOMOTIVE INDUSTRY

In 2023, total sales in the Turkish automotive industry increased by 56% YoY to a record-high 1,277,846 units. Vehicle purchases used as investment instruments in an inflationary environment and improvements in vehicle availability were the key drivers of this increase.

In the reporting period, Ford Otosan increased its sales by 32% to **114,039** units, ranking third in the market with a share of 8.9%.

Passenger car sales rose by 63% to 967,341 units, while Ford Otosan's sales increased by 174% in this segment, reaching **30,936** units and capturing a market share of 3.2%.

Light commercial vehicle sales rose to 155,567 units with an increase of 33%, while Ford Otosan's sales in this segment dropped by 3% to **35,837** units due to the renewal of the Courier model, which boasted a market share of 23%.

Medium commercial vehicle sales rose by 50% to 109,727 units, while Ford Otosan increased its sales in this segment increased by 22% to 35,607 units, and maintained its undisputed leadership in the segment with a 32.5% market share.

Truck sales increased by 19% to 39,322 units, while our sales rose by 30% to **11,659** units, the highest ever figure, and our market share reached 29.7%.

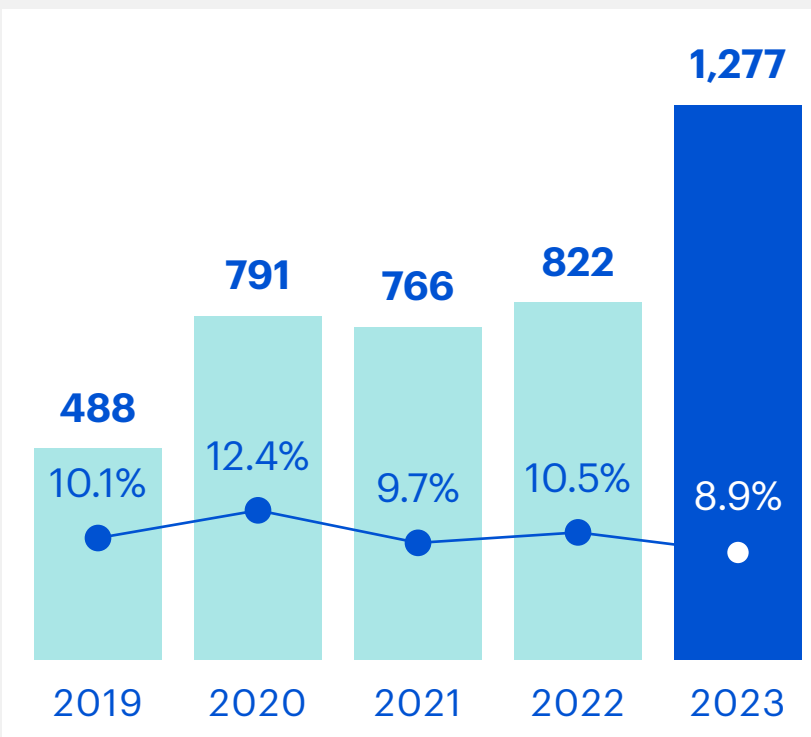


Ford was recognized with the “ODMD Best Selling Light Commercial Vehicle Brand of the Year” award.

Ford Otosan remained committed to its profitability strategy in passengers cars and profitable growth in commercial vehicles.

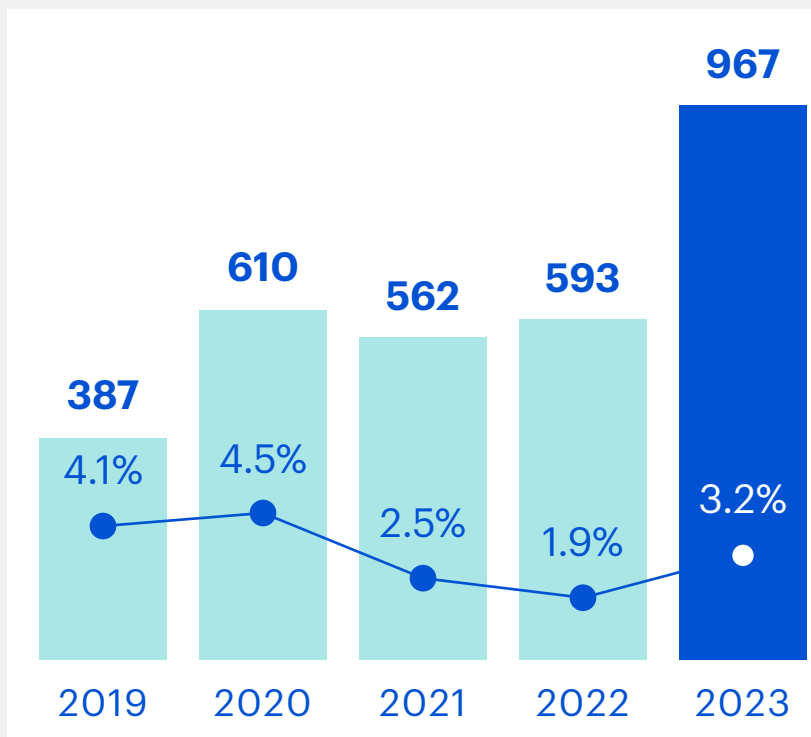
Ford Otosan maintained its market leadership with 27.3% share in total commercial vehicles.

Total Automotive Market  
(Thousand Units)

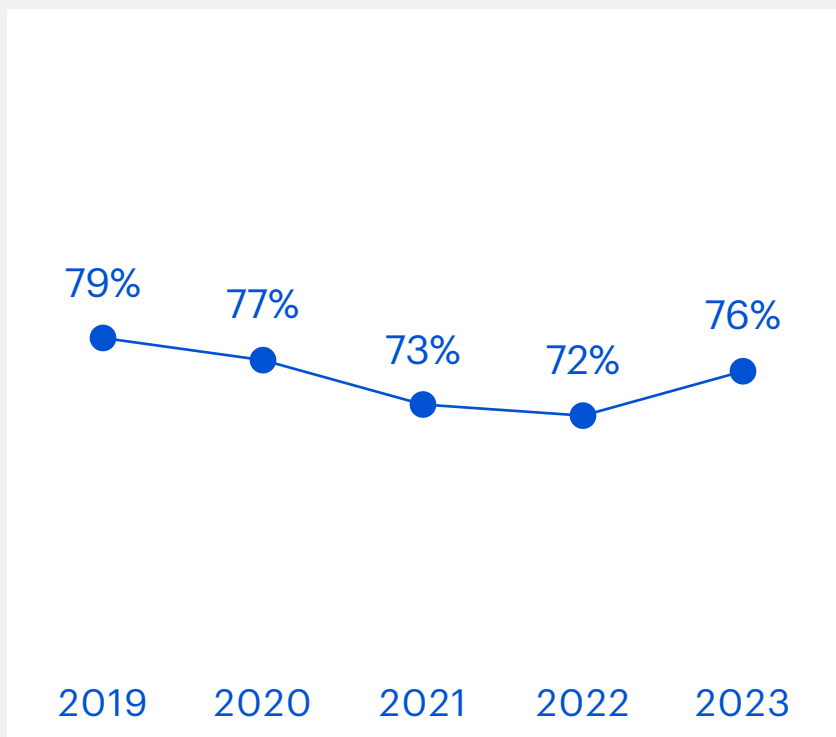


MARKET POSITION **3.**

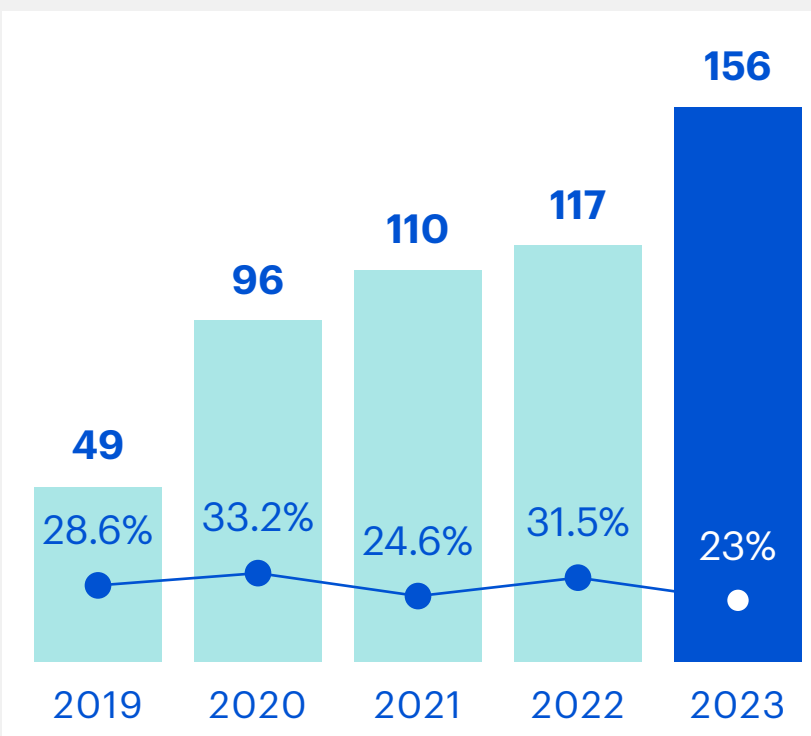
Passenger Cars  
(Thousand Units)



Market Share of Passenger Cars  
(%)

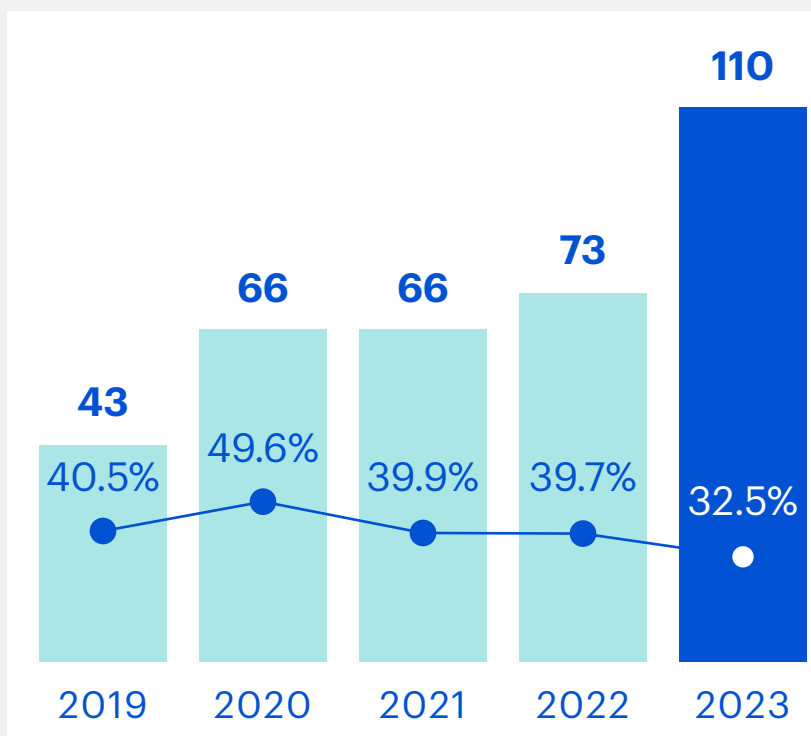


Light Commercial Vehicles  
(Thousand Units)



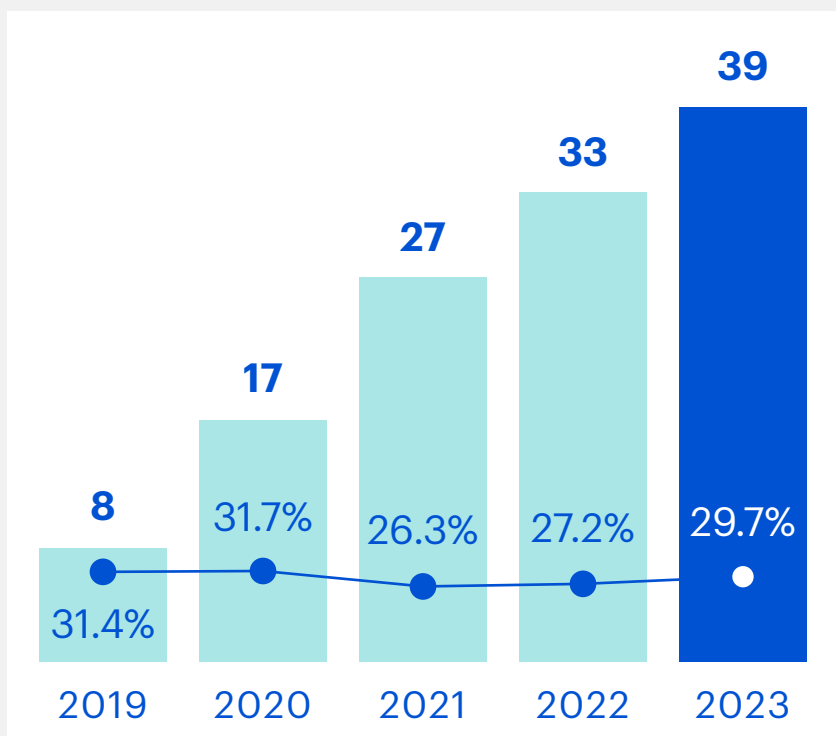
MARKET POSITION **2.**

Medium Commercial Vehicles  
(Thousand Units)



MARKET POSITION **1.**

Trucks  
(Thousand Units)



MARKET POSITION **2.**

● Market Share



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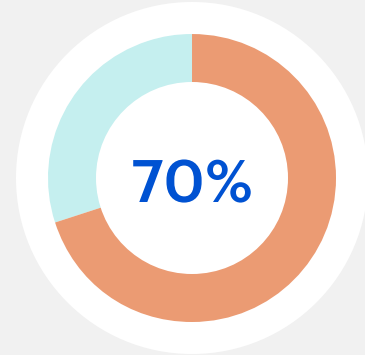
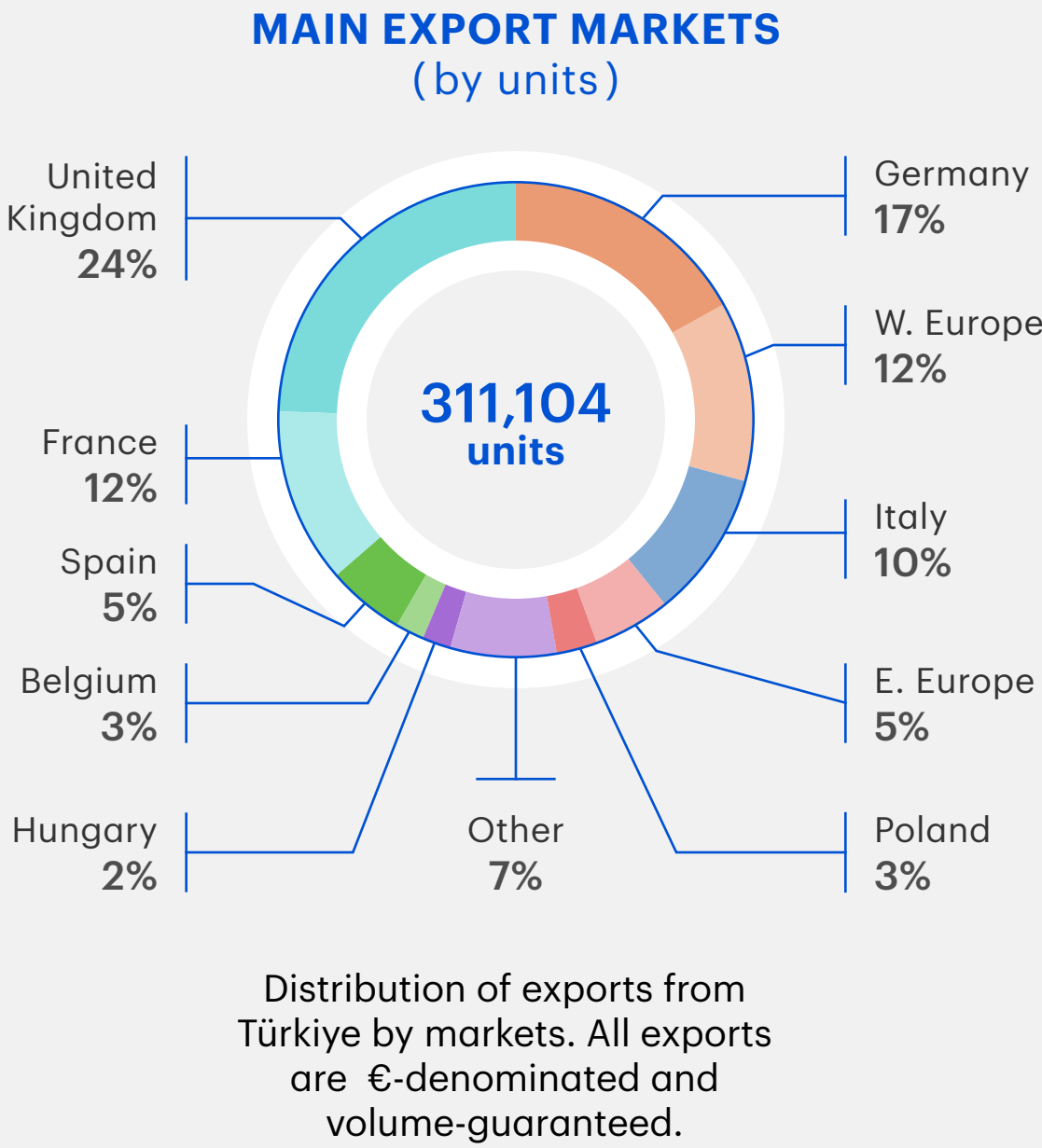
# EXPORTS

In 2023, our annual export volumes in the European van market and the passenger vehicle market increased by 16% and 15%, respectively, driven by supply chain improvements, fleet renewals, and low base effect of the previous year. In the reporting year, total exports from Türkiye and Romania amounted to 492,082 units with an increase of 26%, generating USD 10.2 million in revenues. Ford Otosan stands as the export champion of the automotive industry since 2011 and goods export champion of Türkiye for the eighth consecutive year.

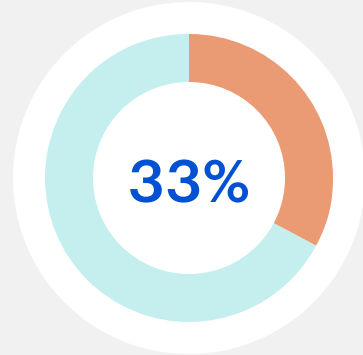
Ford Otosan’s total export revenues rose by 20% to TL 301,628 million TL. Our export volume increased by 28% in Transit, 138% in Puma, and 31% in Ford Trucks YoY, driven by the continuing strong demand for Ford’s vehicles in Europe. However, the total export volume declined by 7% YoY due to the Custom model soon to be renewed.

European Van Market Performance – Annual Change (%)					
Country	2019	2020	2021	2022	2023
UK	2.4	-20.0	21.4	-20.6	21.0
Germany	6.9	-12.2	-0.8	-13.0	12.1
Italy	3.4	-15.0	14.7	-12.3	22.7
Spain	0.3	-26.5	-4.0	-21.3	22.0
France	4.5	-16.1	7.5	-19.5	8.9
Poland	1.5	-14.6	23.9	-15.8	3.7
Total	2.8	-18.0	10.7	-18.6	15.7

Source: ACEA. Light commercial vehicle (up to 3.5 tons) sales. Data includes 26 European countries and the UK.



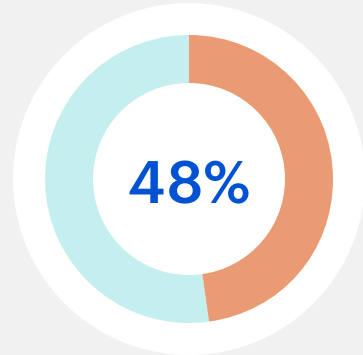
Ford Otosan’s Share in Ford’s Commercial Vehicle Sales in Europe



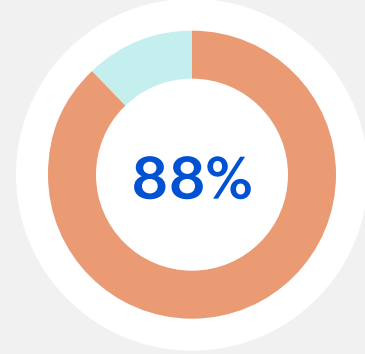
Ford Otosan’s Share in Ford’s Passenger Car Sales in Europe



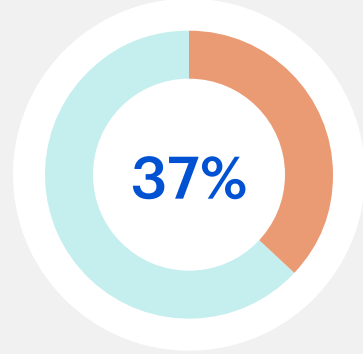
Vehicle and spare parts exported from Türkiye to 91 countries



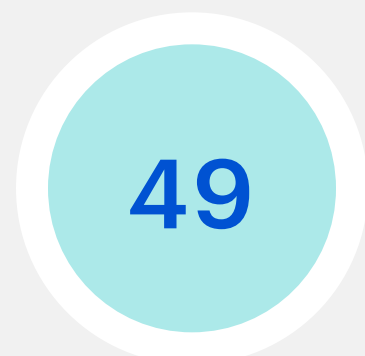
For Otosan’s share in Türkiye’s Total Vehicle Exports



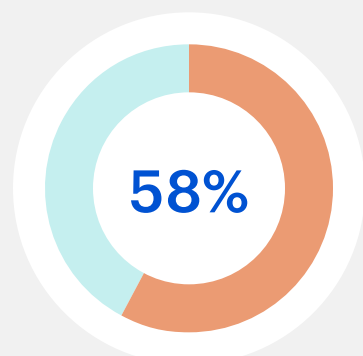
Ford Otosan’s Share in Turkish Commercial Vehicle Exports



Ford Otosan’s Share in Romanian Vehicle Production



Ford Trucks Operates in 49 Countries



Western Europe accounts for 58% of Ford Trucks’ Export Markets

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# VALUE CREATION MODEL

We build Ford Otosan’s Value Creation Model on the focus areas of intellectual, natural, social, produced, financial and human capital. These focus areas form the core pillars that define our vision and drive our sustainability efforts. Shaping the future of mobility, minimizing our environmental impact, expanding our sphere of impact, leading the industry’s transformation, creating added value through robust growth plans and strategic investments, and embracing people-centric constitute our value areas. Drawing from this integrated approach, we address Ford Otosan’s business model together with each these capital topics to communicate our sustainability efforts and value creation potential to all our stakeholders in a holistic manner.

FORD OTOSAN VALUE CREATION MODEL				
	INPUTS	VALUE AREAS	OUTPUTS	SDGs*
Intellectual Capital	<div>2,298 qualified R&amp;D employees</div> <div>Ford Otosan Innovation Program (Fikirhane)</div> <div>TL 5,038,624,251 R&amp;D spending</div> <div>Product plans considering customer needs and future mobility technologies</div>	<div><b>We shape the future of mobility.</b></div> <div>We base the development of comprehensive mobility solutions on the Design for Sustainability principle and maintain our leadership in engineering exports. We foster a culture of innovation-driven collaboration that involves our stakeholders. We create designs that consider vehicles and components along with all types of transportation needs, available infrastructures and people’s mobility habits. As a result, we develop a diversified and renewed product range of next-generation electric and connected vehicles, while working on hydrogen technologies..</div>	<div>20,398 sustainable products</div> <div>Euro 17.6 million in cost savings through innovation</div> <div>TL 26 million invested in startups and funds working on the future of mobility</div> <div>10 awards in R&amp;D, digitalization and technology</div> <div>Leader in the R&amp;D ecosystem, number one industrial company in Türkiye to receive the highest funding from the EU</div>	<div></div>
Natural Capital	<div>Raw materials used in products and services</div> <div>Energy procurement from 100% renewable sources</div> <div>1,826,323 m³ water withdrawal</div> <div>3,974,560.61 GJ energy consumption</div> <div>TL 254.58 million environmental investments and spending</div>	<div><b>We minimize our environmental impact to zero.</b></div> <div>We focus on minimizing the environmental impact of our products by offering zero-emission vehicles and related vehicle technologies along with all types of complementary services that the mobility world will require. We introduce practices to enhance water and energy efficiency, while preventing waste generation at the source in all our operational processes.</div>	<div>GHG emissions per vehicle produced: 0.28 tons CO<sub>2</sub>e</div> <div>Türkiye Energy procurement from 100% renewable sources for electricity consumption in Türkiye and Romania</div> <div>Total quantity of waste recovered: 157 tons</div> <div>TL 96.7 million TL savings achieved through environmental investments</div>	<div></div>
Social Capital	<div>1,170 volunteering employees</div> <div>TL 576.9 million social investments</div> <div>2,399 suppliers, including 1,971 local suppliers</div> <div>Established supplier relationships and engagement</div> <div>Strong two-way stakeholder relationships</div> <div>Partnerships with 40+ NGOs, affiliations with 12 trade associations and initiatives</div>	<div><b>We expand our sphere of impact.</b></div> <div>We collaborate with our dealers and suppliers to systematically manage and control each step of our multi-stage and complex value chain and to expand our sphere of impact every day, while embracing a holistic approach to customer experience. We guide all our stakeholders within the Ford Otosan ecosystem in their transformation.</div>	<div>Social investment projects implemented environment, earthquake relief efforts, healthcare, culture, social aid, and other areas</div> <div>238 suppliers, including 37 critical ones, underwent sustainability assessment</div> <div>Higher number of people engaged (reach)</div> <div>Net Promoter Scores (NPS): 78% for Heavy Commercial Vehicles, 84% for Passenger Cars and Commercial Vehicles</div> <div>1,000 women reached through technology and innovation projects</div>	<div></div>

\* Sustainable Development Goals

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→ FORD OTOSAN VALUE CREATION MODEL

	INPUTS	VALUE AREAS	OUTPUTS	SDGs*
Produced Capital	<div>3 R&amp;D Centers and 1 Technocity Office</div> <div>Spare parts warehouse and assembly plants</div> <div>Industry 4.0 production applications</div> <div>4 manufacturing sites</div>	<b>We spearhead transformation in the industry.</b> We continue to develop public transportation technologies for the smart cities of the future by offering innovative mobility products and services as our production capacity increases every year at our four manufacturing sites in Türkiye and Romania. We spearhead the electric transformation in our industry and believe in the power of the collaborations.	<div>589,758 vehicles manufactured</div> <div>40% of total automotive production in Türkiye</div> <div>8.9% market share in the Turkish automotive industry</div> <div>A Ford Otosan manufacturing site named a WEF Global Lighthouse</div>	<div><div>8</div><div>İNSANA YAKINLIĞI VE EKONOMİK BÜYÜME</div><div></div></div> <div><div>9</div><div>SANAYİ, YENİLİKÇİLİK VE ALTYAPI</div><div></div></div>
Financial Capital	<div>TL 32,897 million investment expenditure</div> <div>TL 11,231 million capital expenditure</div> <div>Large financing pool</div> <div>Effective debt management</div> <div>TL 73,008 million shareholders’ equity</div>	<b>We create added value through robust growth plans and strategic investments.</b> We remain committed to creating added value for our industry and our shareholders through sustainable mobility solutions by developing products, services and advanced technologies and providing economic contribution at our four manufacturing sites in Türkiye and Romania.	<div>TL 411,906 million net sales revenues</div> <div>Large financing pool</div> <div>TL 50,730 million EBITDA</div> <div>Effective debt and cash management</div> <div>TL 47,428 million profit before tax</div> <div>TL 49,056 million net profit</div> <div>TL 18,424 million dividends</div> <div>609,664 vehicles sold (492,082 units exported, 117,582 units sold in the domestic market)</div> <div>Euro 2,183 EBITDA and Euro 2,388 profit before tax per vehicle</div> <div>31% share in total Turkish exports with TL 310,628 million total export revenues</div> <div>Exports account for 73% of sales revenues</div> <div>Balanced FX position</div> <div>Net Financial Debt/EBITDA ratio: 1.19</div>	<div><div>5</div><div>TOPLUMSAL CİNSİYET EŞİTLİĞİ</div><div></div></div> <div><div>8</div><div>İNSANA YAKINLIĞI VE EKONOMİK BÜYÜME</div><div></div></div> <div><div>17</div><div>AMAÇLAR İÇİN ORTAKLIKLAR</div><div></div></div>
Human Capital	<div>23,701 employees</div> <div>TL 63.7 million invested in employee development and training</div> <div>Volunteering platforms</div> <div>Cultural evolution</div> <div>Agile transformation</div> <div>Projects implemented for the development of female leaders</div> <div>Extensive dealer network</div>	<b>We embrace people-centric transformation.</b> We embrace a people-centric transformation strategy and focus on aligning the work experience with our corporate culture. As we strive to reflect the value we create through agile transformation to our stakeholders more quickly, we address several aspects like leadership, customer experience, corporate culture and organization in our business processes with a holistic approach.	<div>22.52% female employment ratio and 24.18% female representation in management positions</div> <div>Ratio of women working in STEM in Türkiye: 21.69%</div> <div>386 office employees promoted, 6,555 new positions filled 68.74% through internal appointments, 602 rotations</div> <div>2,601,810 hours of training on personal, leadership, technical and professional development</div> <div>80.25% of the workforce is covered by collective labor agreement</div> <div>14.17% employee turnover rate</div> <div>Volunteering activities with 1,170 volunteering employees</div> <div>Nearly 4,600 employees and 700+ teams transitioned to agile work</div> <div>Employee engagement rate: 51.4%, Employee NPS: 70%</div> <div>Incident frequency rates: 4.89 in Türkiye, 1.42 in Romania</div> <div>14,622 person x days of training to support talent transformation and development in dealers</div>	<div><div>5</div><div>TOPLUMSAL CİNSİYET EŞİTLİĞİ</div><div></div></div> <div><div>8</div><div>İNSANA YAKINLIĞI VE EKONOMİK BÜYÜME</div><div></div></div> <div><div>10</div><div>ESİTSİZLİKLERİN AZALTILMASI</div><div></div></div>



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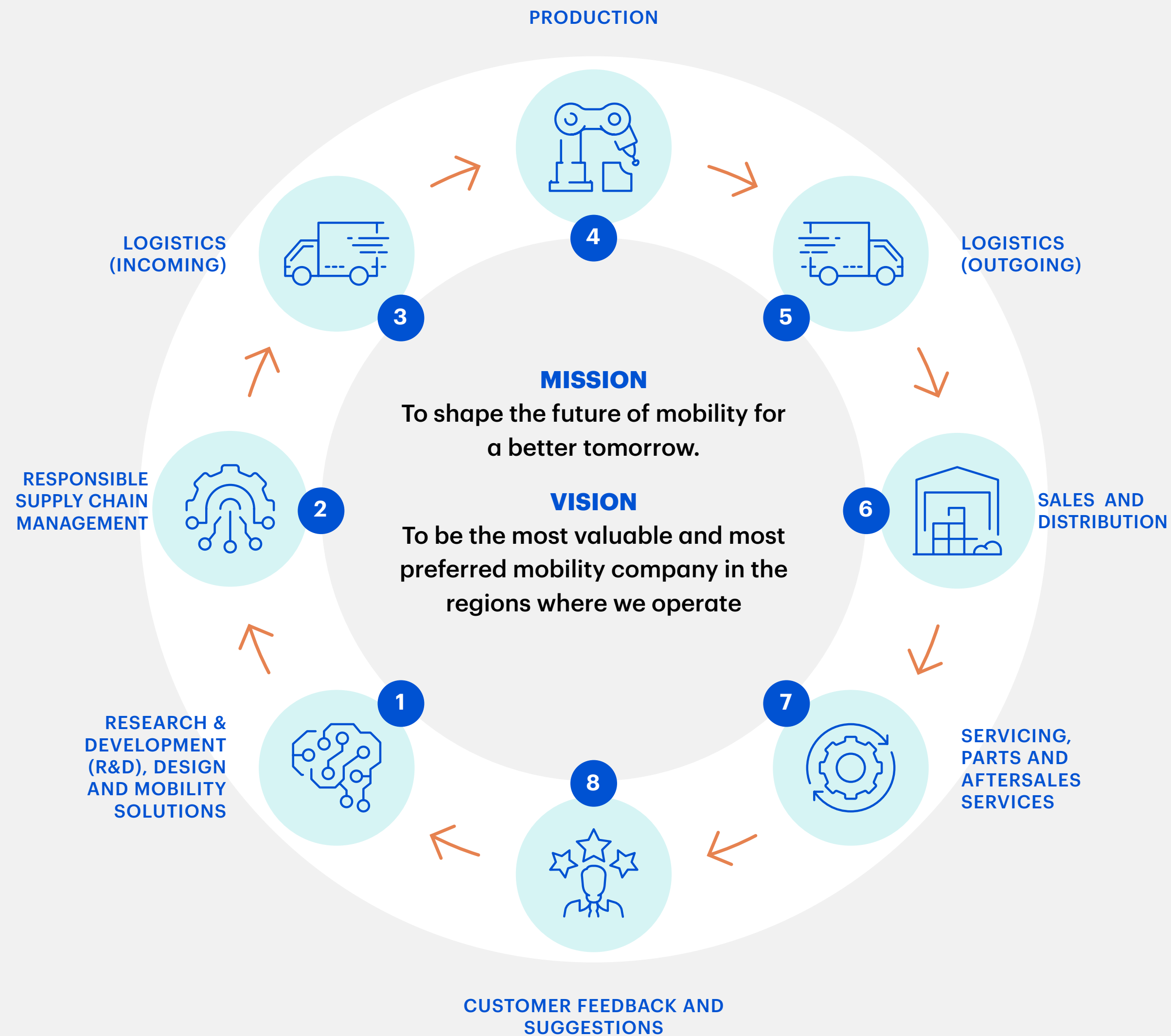
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\* Sustainable Development Goals

# FORD OTOSAN VALUE CHAIN



1

## Research & Development (R&D), Design and Mobility Solutions

Ford Otosan boasts global presence with a pioneering, competitive and competent R&D organization in the field of commercial vehicles, with a total of 2,089 R&D employees at the Sancaktepe, Gölcük and Eskişehir R&D Centers and METU Technocity office. In addition to working on vehicle design, interior and exterior body, engine and power transmission, chassis, electrical and electronic system development and testing, these centers also engage in advanced R&D work on reducing CO<sub>2</sub> emissions, developing connected vehicles, autonomous vehicles, electric vehicles, light vehicle technologies and low-density, recyclable and renewable materials. During the design phase, factors such as ergonomics, usability and aesthetics are considered in the exterior and interior designs of the vehicles. All these activities are based on the principle of Design for Sustainability. In addition to developing comprehensive mobility solutions to mitigate environmental impact, Ford Otosan also takes into account the vehicles and their components along with all transportation types and infrastructures and people's mobility habits.

The R&D Centers develop and deploy services (such as smart maintenance and Live) or complementary products (such as charging stations) that align with customers' businesses and lifestyles, improve their freedom of mobility and/or enhance efficiency during use. They also design and develop products by considering customer expectations and technological advancements.



2

## Responsible Supply Chain Management

Ford Otosan currently works with 2,399 suppliers in total, including 1,971 local suppliers, to source raw materials, parts and materials. The supplier selection process begins at the design stage of products and services. As part of responsible purchasing practices, suppliers are included in the Supplier Sustainability Evaluation and Development Program. All the suppliers involved in the vehicle projects take part in all processes end-to-end from plant construction and installation of production lines to equipment orders, actions of the project teams and the production part approval process (PPAP) of the final parts.



3

## Logistics (Incoming)

The raw materials, parts and materials required for the products and services, which are designed and ready for production, are delivered to Ford Otosan through logistics operations.



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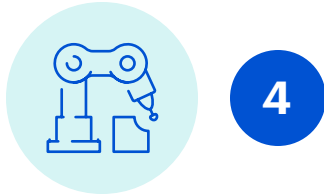
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4

Production

With an annual production capacity of 746,500 units, Ford Otosan is positioned as Ford Motor Company’s largest commercial vehicle production hub in Europe. Vehicles, diesel engines and powertrains are manufactured at four sites in two countries: Gölcük and Yeniköy Plants in Kocaeli and Eskişehir Plant in Eskişehir, Türkiye and Craiova Plant in Romania. The design phase is followed by the vehicle engineering work, leading to the completion of all preparations for the production phase. The next phases involve assembly of parts, body painting, quality controls, tests and finally production of vehicles.



5

Logistics (Outgoing)

Ford Otosan engages in logistics activities to deliver its end products and services, including vehicles, spare parts and other products and services, to the dealers, authorized service centers and customers. Throughout the process, inventory management, planning transportation, storage, optimization of the distribution network and partnering with logistics providers are all managed effectively.

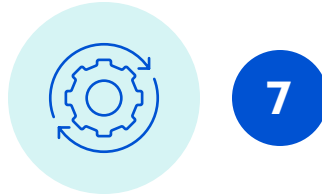


6

Sales and Distribution

**Services:** Ford Otosan provides a variety complementary services expected in the world of mobility, such as financial solutions, customization solutions, software, smart and preventive activities, telematics and charging stations.

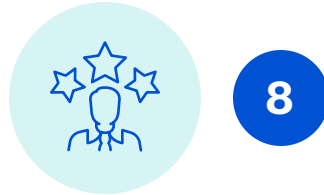
**Products:** Ford Otosan delivers the vehicles to its local customers through dealers and exports them to international clients. The company also provides sales and distribution services for imported Ford products. The sales and distribution of Ford Trucks products manufactured at the Eskişehir Plant encompass domestic and international markets. Ford Otosan, the export champion of the automotive industry since 2011 and of Türkiye for seven consecutive years, exports vehicles and spare parts from Türkiye to 94 countries worldwide.



7

Servicing, Parts and Aftersales Services

Ford Otosan offers service and spare parts through dealerships. Vehicle maintenance and repairs and spare parts are provided by authorized service centers. Ford Otosan Spare Parts Distribution Center in Sancaktepe, one of largest automotive spare parts distribution centers in Türkiye, is the hub where all spare parts, marketing, sales and after-sales operations of Ford Otosan and Ford Trucks are managed. The center, ranking fourth among Ford’s automotive spare parts distribution centers in Europe in terms of indoor storage area, provides service to 136 dealers in Türkiye and 312 dealers in 76 countries on five continents. Service is provided after the domestic sales of Ford Otosan and imported Ford products. The services provided for Ford Trucks encompass domestic and international markets. The rapidly growing Ford Trucks service network in Europe is supported by spare parts warehouses in Poland and Germany, where spare parts storage and distribution services are outsourced. After-sales services include warranty services, technical support, roadside assistance and customer relationship management. Ford Otosan aims for continuous improvement in customer experience by introducing innovative approaches to align with evolving needs and expectations.



8

Customer Feedback and Suggestions

We monitor customer experience tracking indicators such as Net Promoter Score (NPS) and customer satisfaction (C-SAT) end-to-end through all the processes including dealers, call centers, and aftersales services, and continuously follow the overall satisfaction and complaints within the organization. These actions contribute to continuous improvement efforts and product development processes. Furthermore, we complete the feedback loop by informing the relevant functions within the organization in critical cases, assigning and following development tasks. Furthermore, vehicles with potential safety or quality issues may be recalled if manufacturing errors are detected.



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# STAKEHOLDER COMMUNICATIONS

Stakeholder Group	Feedback received in the last 3 years	Actions
Investors and Indices	Involving suppliers in the ESG due diligence processes.	We launched the Supplier Sustainability program to measure the sustainability performance of our suppliers. As part of this program, we developed an assessment methodology to drive our suppliers’ environmental, social and governance performance. Then, we organized conferences and workshops to raise awareness and encourage our suppliers to prepare short- and medium-term roadmaps. More information is provided in the <a href="#">Value Chain Management</a> section.
	Guiding and supporting the sustainability efforts and work of suppliers.	
	Expanding the scope of responsible purchasing program policies with the addition of lithium, a battery raw material.	
Indices	Defining and announcing the company’s biodiversity commitments.	In 2023, Ford Otosan Conflict Minerals policy was updated with the addition of lithium.
	Adopting the Equal Opportunity principle top to bottom, starting from the BoD	The biodiversity strategy was published in 2023.
	Creating an incentive mechanism to support internal volunteering.	Since 2022, gender pay gap is monitored and reported by job level and geography.
	Women entrepreneurs to constitute a specific ratio of suppliers.	One reason for the gap has been identified as years of service. This metric is now measured by comparing years of service.
Dealers	Launching projects to increase female employment ratio at dealers.	In 2023, the Board of Directors Diversity Policy was published. The female employment target was added to the scorecards of all executives and factory leaders.
	Launching projects to address dealers’ talent requirements.	Annual leave is granted to employees who engage in volunteering work.
Suppliers and Dealers	Meeting more frequently with stakeholders.	A target has been set to increase the volunteering rate of company employees to 35%
	Designing special programs for young women graduating from STEM fields.	In 2023, field visits were paid to pilot suppliers and equal opportunity workshops were organized. A decision has been made to publish the Supplier Diversity Policy in 2024.
Public, Suppliers, Investors and Academia	Sharing talent management data more transparently.	A long-term target has been set to double the ratio of women working at dealerships, while employment and incentive projects are coordinated for this purpose. More information is provided under <a href="#">Customer Experience and Dealers</a> .
		We donate all the vehicles used in the testing stages of the projects and equipment to the vocational high schools to support their motor and technical departments’ practical education. Students of the motor and technical departments of the vocational high schools improve their practical knowledge by working on such equipment. In 2023, the equipment and infrastructure in the Ford classroom at Borsa Istanbul Başakşehir Vocational and Technical Anatolian High School were renewed to enhance the education and training of students. In addition, the laboratory designed to provide training on both passenger vehicles and trucks at the Veysel Karani Vocational and Technical Anatolian High School in Bursa was completed and opened.
		A dedicated communication plan has been developed for each stakeholder group. In 2023, we met with all stakeholders periodically. The plan is to engage with each stakeholder group separately on different platforms in 2024.
		Keeping the focus on the earthquake-affected region in 2023, projects were launched to empower women in STEM. These projects will continue in 2024 with NGO collaborations. We aim increase the number of women we reach to 100,000 by 2026 through community training, awareness and financial support projects. More information on all the activities is provided in the <a href="#">For Community</a> section.
		Employee satisfaction metrics are disclosed in the report by a breakdown of years of service. More information on all the activities is provided in the <a href="#">Employee Experience</a> section.

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Target		Progress toward the Target
Climate Crisis and Energy Management	<div>2035</div> <div>Becoming carbon neutral across the entire supply chain</div>	We started to work toward our target of becoming carbon neutral across the entire supply chain in 2022. In the first stage, we conducted supplier sustainability assessments with pilot-scale companies in 2022. In addition to expanding the question set in late 2023, we organized awareness-raising activities such as Supplier Sustainability Conferences, online Sustainability training programs and Supplier Workshops. The process that began with awareness sessions continued with self-assessment and training at all suppliers and auditing of critical suppliers. The work carried out in 2023 included the creation of Net Zero Roadmap for our suppliers who produce critical product groups and the updating of existing procedures. Currently, 13 critical suppliers have set net zero targets for 2050. We also aim to share supplier responsibilities with Ford Global in 2024.
	<div>2035</div> <div>Becoming carbon neutral in logistics operations</div>	<p>The company decided to invest in the Block Train project for leveraging rail transportation between Craiova and Gölcük to reduce emissions in our logistics operations in 2024. In the near future, the focus will be on creating roadmaps for rail transportation between Germany and the Gölcük Plant. Thanks to the proximity of the Gölcük site to the port, vehicles can be easily shipped by commercial vessels from this facility. According to the feasibility studies conducted for rail transportation between the Eskişehir and Gölcük plants in Türkiye, factors such as the lack of tunnels of equal height for the vehicles and the lack of suitable railway infrastructure from the train station to the factory have not been deemed the project feasible.</p> <p>There are plans for leveraging electric vehicles in short-distance logistics. While the automotive industry reports express an 83% emission reduction target by 2035, Ford Otosan plans to transition to all-electric road transportation to reduce emissions from air, rail and sea transportation with the aim of achieving a 95% emission reduction. The remaining emissions are projected to be offset with carbon credits..</p>
	<div>2030</div> <div>Becoming carbon neutral in manufacturing sites and R&amp;D center in Türkiye</div>	In line with our 2030 target of becoming carbon neutral in all manufacturing sites and R&D center in Türkiye, all the electricity used in these facilities is procured from 100% renewable sources. In 2022, we declared our commitment to the Science-Based Targets initiative (SBTi) to set our short-term targets by adopting the approach to limiting global warming to 1.5°C as defined in the Paris Agreement. In addition to setting our short-term targets as a priority and moving to the assessment stage, we also work toward our long-term targets. The submissions were completed in January 2023. Based on the pending methodology change to be introduced by SBTi for the 2023 SBTi evaluation, we plan to complete the application process for short- and long-term targets. According to the calculations covering Türkiye and Romania sites, we are committed to reducing Scope 1 and 2 GHG emissions by 78% by 2030, compared to the 2017 base year, and Scope 3 GHG emissions from the use of sold vehicles by 50% per vehicle kilometer by 2030, compared to the 2021 base year. Internal carbon pricing studies have been reviewed and activities have been carried out to include the impact of carbon in the decision-making mechanism more prominently when considering new investments.
	<div>2030</div> <div>Sell only zero emission passenger vehicles</div>	Following the acquisition of the Ford Craiova Plant in Q1 2022, Ford Otosan expanded its production scope with the addition of the passenger vehicle segment. Ford Otosan, sharing design and production responsibility in the passenger car segment with Ford, is elevating its passenger vehicle production capabilities by the day. Puma and the passenger segment version of the new Courier, launched in Q4 2023, are currently produced at the Craiova Plant. In line with the “all in electrical” target, we will offer electric versions of all the passenger car and other vehicle nameplates in our production portfolio in the years to come.

→ **SUSTAINABILITY TARGETS AND PERFORMANCE**

	Target	Progress toward the Target
<div>Climate Crisis and Energy Management</div> <div></div>	<div>2035</div> <div>Sell only zero-emission light/medium commercial vehicles</div>	To achieve the target of selling zero-emission commercial vehicles, multi-faceted strategies encompassing R&D, product investments, supply chain continuity, partnerships, infrastructure development, marketing and training are adopted and implemented successfully. Furthermore, locally and globally funded R&D and Horizon projects are carried out to explore, develop and launch various alternative fuel vehicle technologies such as electric, hybrid and fuel cell vehicles. Ford Otosan's electrification journey, which started with the production of the first PHEV (Plug-in Hybrid) commercial vehicles in its segment, continued with the launch of E-Transit, Europe's most powerful all-electric commercial vehicle, in 2022.
	<div>2040</div> <div>Sell only zero emission heavy commercial vehicles</div>	<p>Following the launch of Ford E-Transit and E-Transit Custom models, Ford Otosan introduced its 100% electric truck – embodying Türkiye's electric transformation - at the IAA Commercial Vehicles (IAA) in 2022. With the 100% electric truck developed and produced entirely in Türkiye, from design to testing, Ford Otosan has started developing the next generation of electric vehicles in the light, medium and heavy commercial segments. As the efforts intensified to achieve zero emission in our heavy commercial vehicles, we also joined the European Union's zero emission logistics project Horizon Europe ZEFES (Zero Emission Freight EcoSystem) with the vision of pioneering the transportation solutions of the future. As part of the project, the first fuel cell electric (FCEV) F-MAX to run on hydrogen will be developed. In addition to developing innovative and sustainable solutions with engineering and R&amp;D expertise, the ZEFES initiative will also provide significant competence in hydrogen technologies and FCEV research and demonstration. Moreover, observing the impact of the project on the market will enable us to include fuel cell vehicles in the serial production plans in line with our net zero targets.</p> <p>Ford Trucks, Ford Otosan's global heavy commercial brand, is accelerating its work within the scope of the EU funded next-generation zero-emission electric trucks and efficient and low-cost logistics (NextETRUCK) project to pioneer the future of zero-emission transportation. With the NextETRUCK project, we are focusing on creating an electric truck with reduced weight, advanced thermal management and Acoustic Vehicle Alert System (AVAS) integration. The NextETRUCK project also involves major changes such as updating EPE parts, building an innovative thermal management system, redesigning the chassis, new brackets, software improvements and cabin modifications. By accelerating our R&amp;D efforts to pioneer zero-emission electric transportation solutions of the future, our global heavy commercial brand Ford Trucks aims to contribute to efficient and low-cost logistics through the NextETRUCK project.</p>
<div>Waste Management and Circular Economy</div> <div></div>	<div>2030</div> <div>Reach zero-waste to landfill</div>	Working toward the “zero waste to landfills target by 2030,” we engage in various studies and partnerships. Since the traditional landfill method does not align with our goals, we considered the options of recycling and obtaining energy from waste depending on the conditions of the landfill locations where our domestic waste is sent. To increase awareness across the entire ecosystem, waste management seminars were organized with dealer employees in attendance. At the Eskişehir Plant, waste materials other than medical waste are recycled to the maximum instead of sending them to landfills. Domestic waste is delivered to the bio-methanization facility of Eskişehir Metropolitan Municipality, where it is used for energy generation. Thanks to the cooperation between the municipality and the plant for generating energy from waste, Eskişehir Plant has achieved the Zero Waste to Landfill target. Action plans have been determined for the Kocaeli plants, where the waste sent to regular landfills will be reduced by 20% every year and completely eliminated by 2030.
	<div>2030</div> <div>Completely eliminating single-use plastics from personal consumption</div>	Various activities and partnerships are ongoing to completely eliminate single-use plastics from personal consumption. Most of the products within this scope have already been discontinued. Single-use items are replaced by options that allow multiple uses.

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→ **SUSTAINABILITY TARGETS AND PERFORMANCE**

Target		Progress toward the Target
Waste Management and Circular Economy	 <b>2030</b> <b>Increasing the ratio of recycled and renewable plastics used in the plastic components of the vehicles produced to 30%.</b>	<p>Ford Otosan continues to accelerate its efforts toward sustainable material commitments in line with its net zero target. Activities to further integrate sustainable plastics into vehicle design and engineering processes are ongoing by increasing the ratio of recycled and renewable plastics used in the production of commercial vehicles by 2023. Moreover, the 10% sustainable plastic ratio targeted for new Transit Custom vehicles by 2023 has been successfully implemented, resulting in an average of 17 kilograms of recycled and renewable plastics used per vehicle. The lower leg stiffener (LLS) in Transit Custom vehicles that requires meeting strict specifications in terms of pedestrian safety and collision has been modified to contain 50% recycled plastic as of 2023. The annual reduction of 571.8 tons of CO<sub>2</sub> achieved through this material change is equivalent to the carbon sequestration of 22,874 trees in a year. This project, which won first prize in the Circular Plastics Management category at the 2023 Sustainable Business Awards, represents a significant undertaking for the company as the first use of circular plastics in a critical part. Harnessing the experiences gained from this project, efforts continue to spread the use of sustainable materials more widely in different functional systems.</p> <p>In heavy commercial vehicle groups, the trials and material development processes for sustainable plastics reinforced with natural fibers and additives such as recycled, bio-based jute, rice and nut shells carried out with partner suppliers. Aiming to increase the use of recycled and bio-based plastics in trucks, these projects will also promote Ford Trucks with its innovative materials and innovations in the heavy commercial vehicles segment. Furthermore, material and color development studies are ongoing on more than 10 visible and invisible parts weighing 15 kg in total to improve cost effectiveness. These actions support Ford Otosan's commitment to reducing the use of plastic products with high carbon emissions and shifting toward sustainable plastics with clear plans and yearly targets, while also contributing to a more sustainable automotive industry with lower environmental impact.</p>
Water Stewardship	 <b>2030</b> <b>Reducing fresh water consumption per vehicle in facilities by 40%*</b>	<p>The roadmap, created to reduce the amount of fresh water used in the Gölcük and Yeniköy manufacturing sites by 40% by 2030, also includes projects for recovering wastewater. These projects will pave the way to building a wastewater recovery system that will enable the reuse of treated wastewater and effluents (such as the treatment plant's existing effluent, domestic wastewater, backwash water, cooling tower blowdown water, etc.) in the production process. The project, already in progress for the Gölcük and Yeniköy Plants, will be deployed in 2024. As a result, the Kocaeli Plants are projected reach a recycling rate of 40% by 2025. As part of the new investments at the Yeniköy Plant, a Gray Water Recovery System will be built, expected to outperform the relevant targets.</p>
Social Benefit	 <b>2030</b> <b>Increasing the ratio of volunteering employees who participate in social work to 35% among the total workforce</b>	<ul style="list-style-type: none"><li>• In 2023, "Gönlüm Senle" (My Heart is With You) platform was migrated to the FO portal for all employees to access.</li><li>• In October, donations were raised for the disabled children in the earthquake-affected region through the "İyilik Var" charitable movement.</li><li>• Employees volunteered to help the Hope Cities.</li><li>• Several employees ran the Istanbul Marathon to raise funds for NGOs.</li><li>• Tree planting activities were organized in Gölcük and Eskişehir, and a coastal cleanup took place in Eskişehir.</li><li>• High school students benefited from mentoring through the project "Otosan Engineers Here to Mentor You."</li><li>• In 2023, the Social Butterflies Project was launched in partnership with Elele Education and Culture Association to provide equal opportunity for children.</li></ul>

\* Compared to 2019 base year

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→ SUSTAINABILITY TARGETS AND PERFORMANCE

Target		Progress toward the Target
Gender Equality	<div>2026</div> <div>Reaching 100,000 women through community training, awareness and financial support projects</div>	<ul style="list-style-type: none"><li>• We teamed up with W-Tech Women in Tech Association to provide robotic process automation training for female field employees and technology-driven vision training for female employees of Ford Otosan suppliers.</li><li>• The project titled Women Elevating Women, run in partnership with Young Guru Academy (YGA) and UpSchool, reached 1,00 female engineering students in the prep, first and second years of Turkish universities.</li><li>• Anatolian Scholars and Ford Otosan ‘Let the Girls Attend School’ Scholarship Fund continued in 2023.</li><li>• Female employee began to receive mentoring support.</li></ul>
	<div>2026</div> <div>Supporting startups with at least 50% women in leadership teams</div>	Technology-focused startups typically employ fewer women, who face challenges in finding jobs in this area. Therefore, we aim to create change in the ecosystem through actions such as providing gender equality training for startups and increasing funding for women entrepreneurs.
	<div>2026</div> <div>Increasing the ratio of women working in technology and innovation to 30%</div>	Through the “My Dream Future” initiative, we plan to provide technology and innovation training and mentoring with the aim of reaching a total of 100,000 women by 2026.
	<div>2026</div> <div>Doubling the rate of women working in technology and innovation in the entire dealer network**</div>	<ul style="list-style-type: none"><li>• Awareness training and Dealer Council organized.</li><li>• 200 female students who will work in dealerships supported through a scholarship program.</li><li>• In 2023, the number of positions classified as STEM rose to 71. As a result, the ratio of female employees in STEM dropped in the dealers.</li></ul>
	<div>2030</div> <div>Increasing the ratio of women in all management positions to 50%</div>	<ul style="list-style-type: none"><li>• University collaborations, mentoring programs with Ford Otosan female leaders, and Women Leadership programs are ongoing.</li><li>• Leaders of the Field Program has been planned for 2024.</li></ul>

\*\* Compared to 2022 base year

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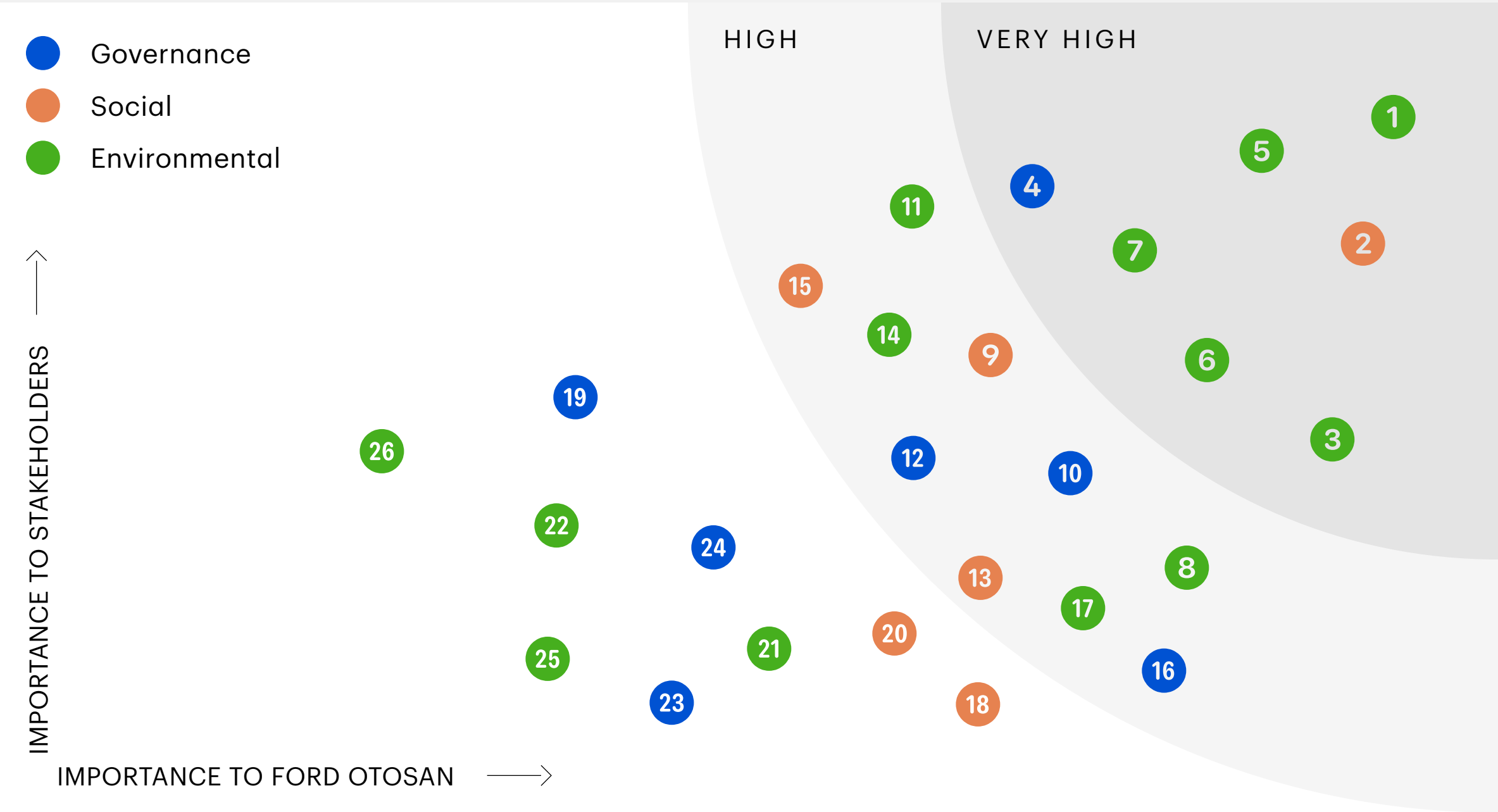
# MATERIAL SUSTAINABILITY TOPICS

We conducted a comprehensive materiality analysis in 2021 with support from external consultants to identify the material sustainability issues that Ford Otosan should prioritize. During the process, we also performed a stakeholder analysis in accordance with the AA1000 Stakeholder Engagement Standard to learn more about their expectations. The business and future strategies of Ford Otosan and Ford Motor Company, one of our main shareholders, were also considered in the analyses. The process of identifying the material issues involved the following considerations:

- Feedback was collected from our employees as internal stakeholders and the strategic external stakeholders, including business partners, investors, analysts, shareholders, NGOs, dealers, suppliers, partner state institutions, media, dealers and representatives of consultancy/agency partners. Based on the analysis of a questionnaire sent to 2,242 stakeholders, we identified the materiality of 26 topics in the list for the stakeholders and Ford Otosan.
- We included the latest sustainability trends in the analysis and reviewed the global and local agenda. In this process, we studied the World Economic Forum’s global risk projections, the Sustainability Accounting Standards Board’s (SASB) industry-specific material issues, the Sustainable Development Goals Business Index, and the 11th Development Plan in depth.



For detailed information, you can access the relevant section of the main report here.



- |   |   |
|---|---|
| 1 Climate Change                          | 14 Supply Chain Management                  |
| 2 Occupational Health and Safety          | 15 Equal Opportunity and Diversity          |
| 3 Vehicle Carbon Footprint/Fuel Savings   | 16 Customer Satisfaction and Communications |
| 4 Vehicle Quality and Safety              | 17 Water and Wastewater                     |
| 5 Low-Carbon Production                   | 18 Employee Engagement and Satisfaction     |
| 6 Electric Vehicles and Alternative Fuels | 19 Data Security and Privacy                |
| 7 Air Quality                             | 20 Social Responsibility Program            |
| 8 Developing Mobility Solutions           | 21 Autonomous Vehicle                       |
| 9 Human Rights                            | 22 Sustainable Cities and Infrastructure    |
| 10 Corporate Governance                   | 23 Fight Against Bribery and Corruption     |
| 11 Circular Economy                       | 24 Risk Management                          |
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# FUTURE. NOW

## FUTURE. NOW FOR TECHNOLOGY AND INNOVATION

At Ford Otosan, we follow the continuously evolving trends in the global **automotive and mobility industry** and embrace the vision of leading the industry. We position **innovation** as a critical tool for value creation in our fields of operation. Adopting an approach rooted in **innovation, entrepreneurship, change management and open innovation**, we aim to capture a higher market share and maintain our competitiveness, while meeting customer expectations and needs. We believe that technology and innovation play a crucial role in adapting to the rapid advancements worldwide.



## FUTURE. NOW FOR ENVIRONMENT

At Ford Otosan, we take responsibility for leading the sector beyond simply contributing to the transformation in the automotive industry in tackling global climate change with our Future. Now vision. Accordingly, we take actions to reach our carbon transition, waste, circular economy, and water targets already today.



## FUTURE. NOW FOR PEOPLE

At Ford Otosan, we recognize the importance of providing a respectful and fair work environment for our employees and build our talent management on the principles of diversity, equity and inclusion. Therefore, we strive to ensure that the work experience at Ford Otosan is always healthy, safe, and conducive to development for all our employees. The three key transformation areas of our future strategies are **Agile Transformation, Culture and Leadership Transformation and Human Capital Transformation**. Therefore, we prioritize creating value for all our stakeholders, starting with our employees, with people-centric systems.



## FUTURE. NOW FOR COMMUNITY

At Ford Otosan, as we work to shape the present and future of the automotive industry, we also prioritize creating social benefit in all our activities, believing that companies grow together with their communities.



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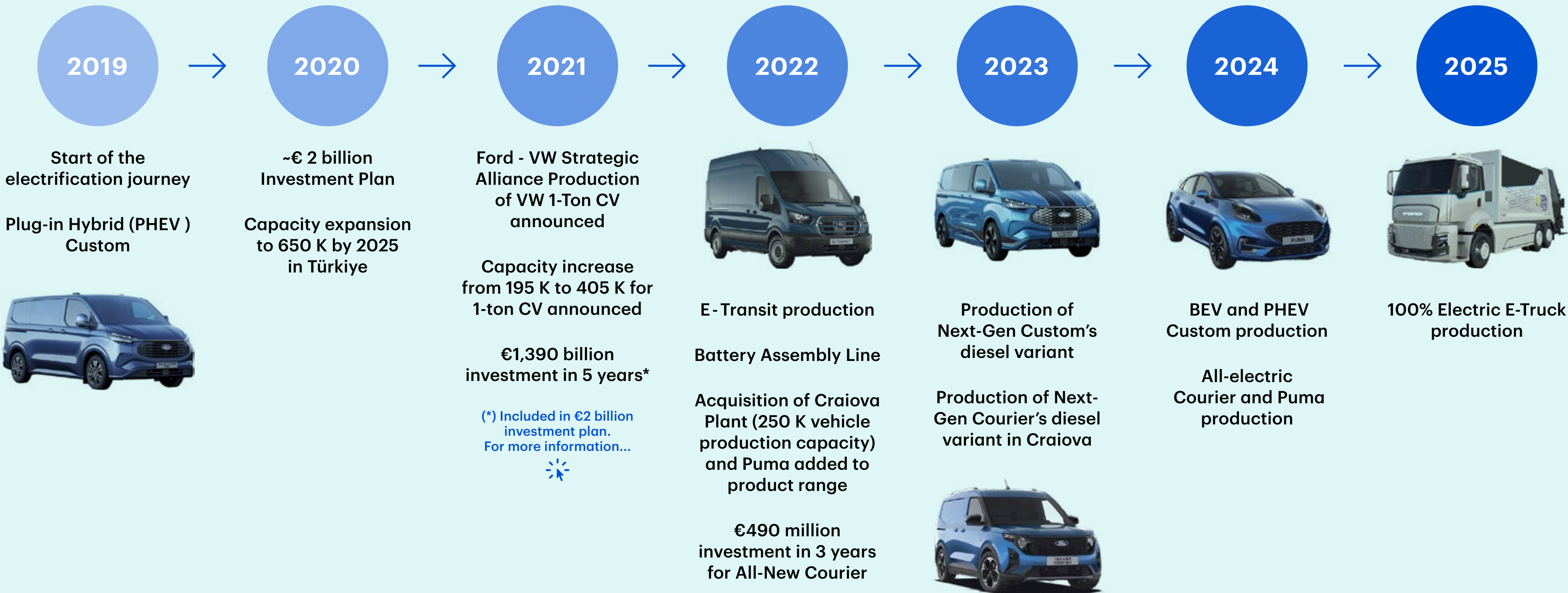
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Ambitious Growth Plans & Electrification Journey

Production capacity will increase from 455 thousand units... ..to more than 900 thousand



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Environmental Investments and Expenditure (TL million)

2021 TR	37.7
2022 TR	101.88
2022 RO	50.94
2023 TR	166.43 ✓
2023 RO	88.153 ✓

Environmental Fines (TL million)

2021 TR	0
2022 TR	0
2022 RO	0
2023 TR	0 ✓
2023 RO	0 ✓

Total Greenhouse Gas Emissions (Scopes 1, 2 and 3) (tonCO<sub>2</sub>e)

2021 TR	77,013,367
2022 TR	78,356,311
2022 RO	13,021,312
2022 (TR+RO)	91,377,623
2023 TR	92,010,577
2023 RO	16,253,267
2023 (TR+RO)	108,263,844

Türkiye and Romania facilities’ Scope 1, 2 and 3 emissions in 2023 (shown in this table) are verified by Türk Loydu in accordance with the ISO 14064 standard.

Tracking Area / GHG emissions per vehicle produced (tons CO<sub>2</sub>e/vehicle)

2021 TR	0.26
2022 TR	0.25
2022 RO	0.30
2022 (TR+RO)	0.27
2023 TR	0.27
2023 RO	0.31
2023 (TR+RO)	0.28

Tracking Area / Energy consumption per vehicle produced (GJ/vehicle)

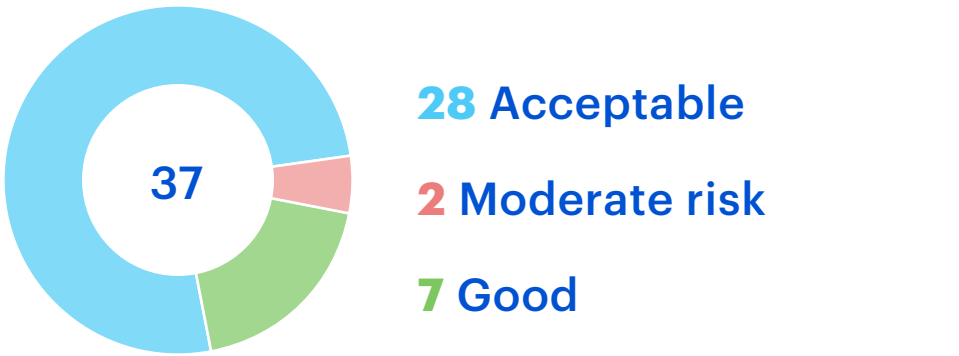
2021 TR	3.95
2022 TR	3.85
2022 RO	3.30
2022 (TR+RO)	3.66
2023 TR	4.21
2023 RO	3.44
2023 (TR+RO)	3.96

Ford Otosan’s Definition of Sustainable Product

A sustainable vehicle is an environmentally friendly mode of transportation designed to minimize its negative impact on the environment. These vehicles produce fewer emissions, use less energy, and often run on alternative power sources like electricity, hydrogen, or biofuels. They promote energy efficiency, reduced pollution, and a lower carbon footprint compared to conventional vehicles.

Sustainable Product	2023 TR + RO
Number of sustainable products and services	16.638
Revenues from sustainable products and services	TL 19.2 billion
Share of revenues from sustainable products and services in total revenues	4.7%

In 2023, 37 critical suppliers were evaluated according to environmental, social and governance audit criteria. As a result, 7 were found to be at good, 28 at acceptable, and 2 at moderate risk levels.



Energy Consumption (GJ)

2021 TR	2,326,504.56
2022 TR	2,479,245.51
2022 RO	1,031,052.96
2023 TR	2,919,913.38
2023 RO	1,054,647.23

Total Waste (Tons)

2021 TR	96,659.01
2022 TR	101,607.19
2022 RO	42,011.99
2023 TR	114,124.63
2023 RO	45,330.40

Total Recovered Water and Waste Water (m³)

2021 TR	415,123
2022 TR	437,229
2022 RO	112,103
2023 TR	499,939
2023 RO	167,885

Total Water withdrawal (m³)

2021 TR	1,069,889
2022 TR	1,189,266
2022 RO	322,122
2023 TR	1,322,951
2023 RO	503,372

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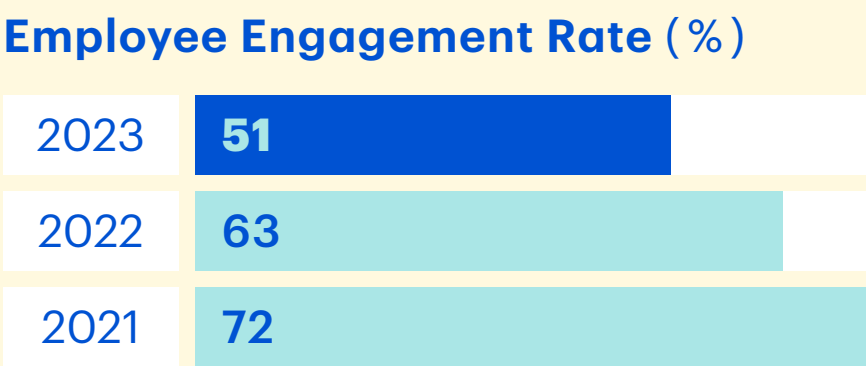
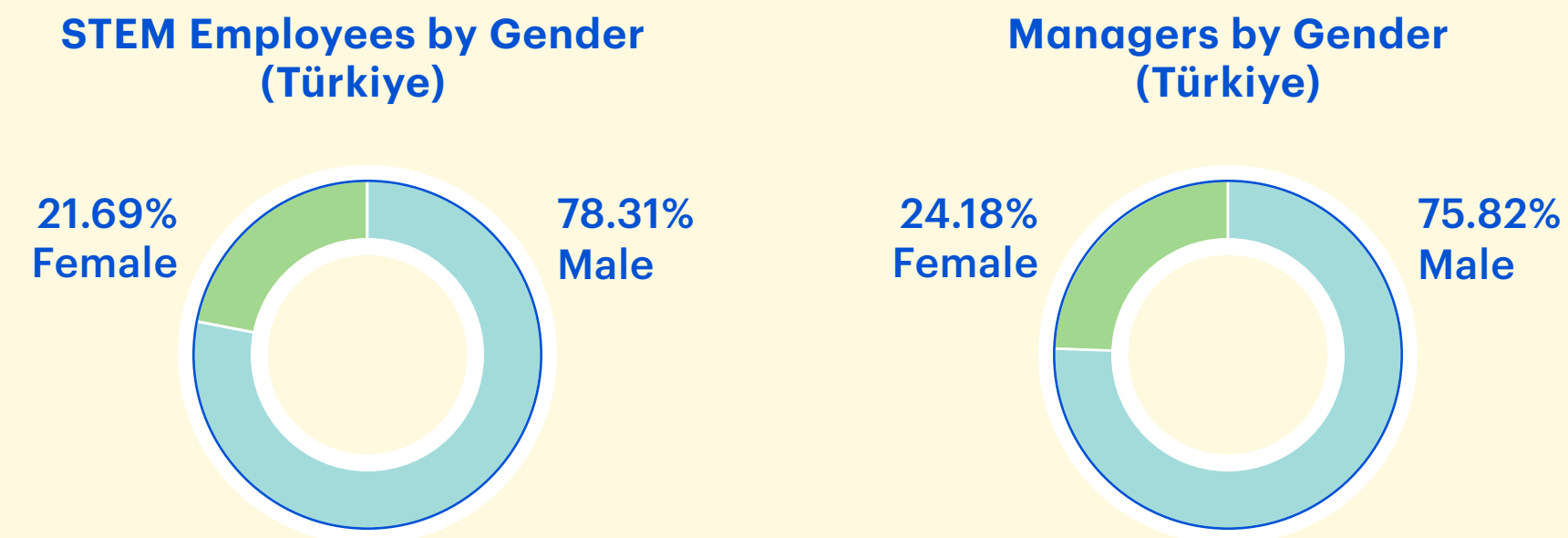
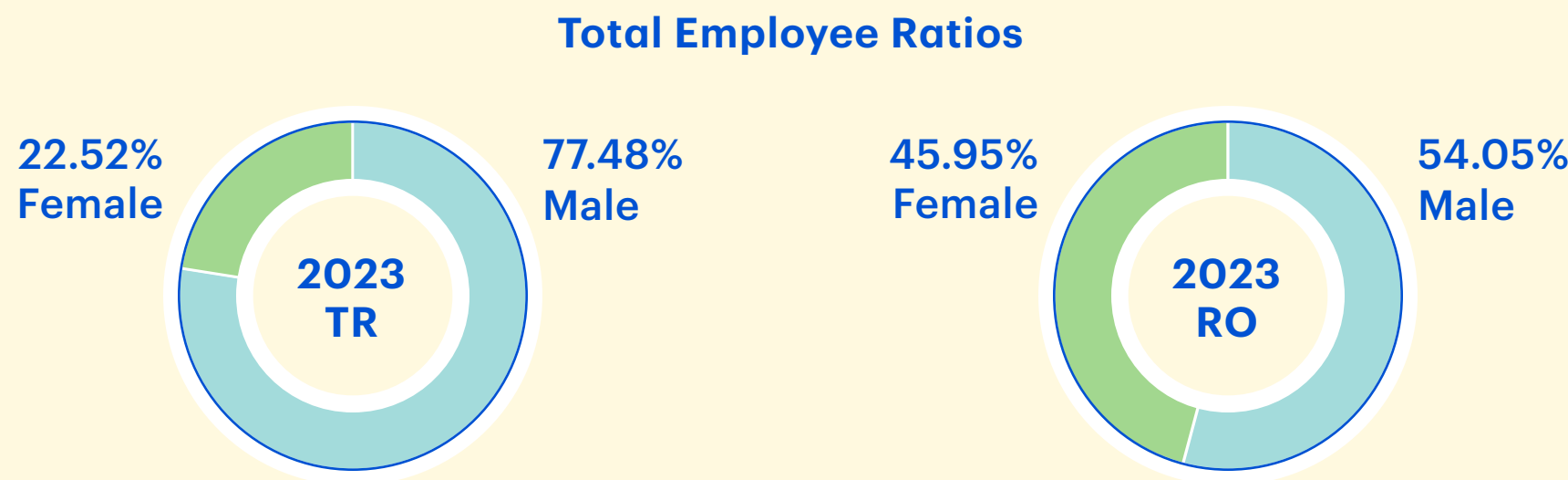
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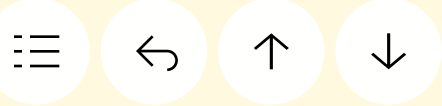
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Target	Performance Indicator	2023 Performance	2024 Target	Explanation
Increasing the ratio of women working in technology and innovation in all Türkiye locations to 30% by 2026*	Ratio of women in STEM (%)	21.69%	25%	<ul style="list-style-type: none"><li>Through the “My Dream Future” initiative, we plan to provide technology and innovation training and mentoring with the aim of reaching a total of 100,000 women by 2026.</li></ul>
Doubling the rate of women working in technology and innovation in the entire dealer network by 2026**	Ratio of women in STEM at the dealers (%)	10.88%	12.88%	<ul style="list-style-type: none"><li>Awareness training and Dealer Council organized.</li><li>200 female students who will work at dealerships supported through a scholarship program.</li></ul> <i>In 2023, the number of positions classified as STEM rose to 71. As a result, the ratio of female employees in STEM in the dealers dropped.</i>
Increasing the ratio of women in all junior, middle and senior management positions in all Türkiye locations to 50% by 2026	Female manager ratio (%)	24.18%	28%	<ul style="list-style-type: none"><li>University collaborations, mentoring programs with Ford Otosan female leaders, and Women Leadership programs are ongoing.</li><li>Leaders of the Field Program has been planned for 2024.</li></ul>
* Base year: 2022, Baseline: 20% / ** Base year: 2022, Baseline: 11.54%				

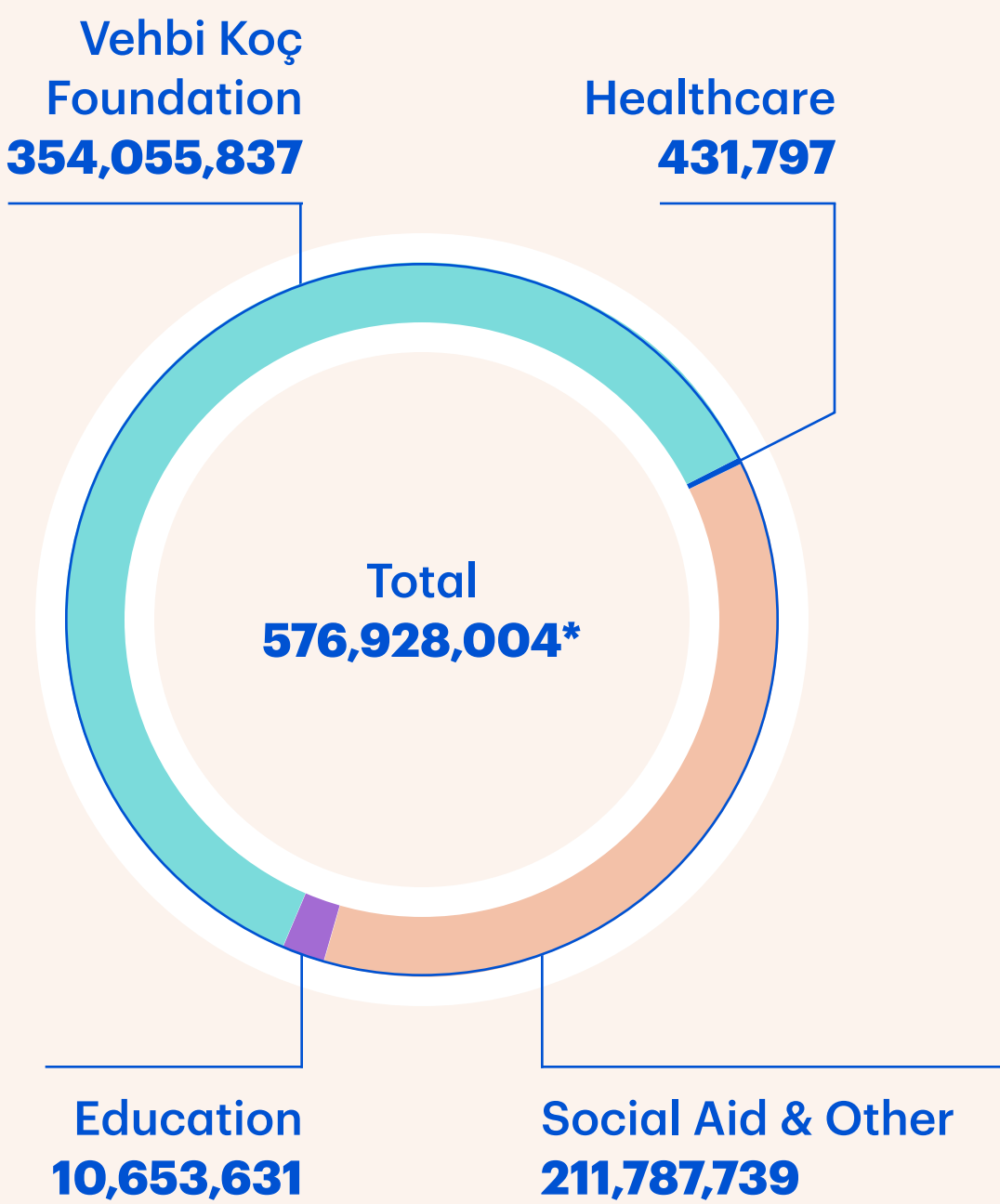
Gender Pay Gap by Positions (Average Female Salary/Average Male Salary) 1	2022 TR	2022 RO	2023 TR	2023 RO
Senior executives (base salary)	1.05	0	1.01	0*
Senior executives (base salary + benefits)	1.01	0	0.91	0*
Managers (base salary)	0.90	1.14	0.89	1.21
Managers (base salary + benefits)	0.86	1.14	0.86	1.21
Non-managerial positions (base salary)	0.99	0.95	0.99	0.91
Non-managerial positions (base salary + benefits)	0.99	0.96	0.99	0.91
We do not tolerate any discrimination in our operations and uphold the equal pay for equal work and equal rights principles. * Romania site has only two male senior executives.				



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# FOR COMMUNITY

## FORD OTOSAN COMMUNITY INVESTMENTS BUDGET ALLOCATION (TL)



\* corresponding to TL 825,984,458 based on the buying power on December 31, 2023

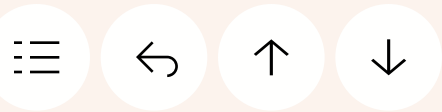


For detailed information, you can access the relevant section of the main report here.

## PRIORITY COMMUNITY INVESTMENT AREAS

In our Community Investment initiatives, we primarily focus on **Climate Crisis, Equal Opportunity and Diversity, Mobility Solutions, and Vehicle Quality and Security.**

Priority Community Investment Area	Related SDGs	Our Approaches and Commitments
Climate Change		<ul style="list-style-type: none"><li>We aim to instill a sense of responsibility and raise awareness about the environment and energy by organizing training activities for stakeholders.</li><li>We constantly engage with the stakeholders to raise awareness about responsible water consumption and to involve them in conserving and recycling water resources.</li><li>We are committed to supporting long-term projects through collaborations to develop solutions for the conservation of water resources, tackling droughts and joining forces for efficient use of water</li></ul>
Equal Opportunity and Diversity		<ul style="list-style-type: none"><li>We support women in taking a more active role in professional life.</li><li>We aim to increase the ratio of women on the Board of Directors and in senior management roles.</li><li>We aim to create more and diverse jobs for people with disabilities.</li><li>We engage in activities to support women in technology and innovation.</li><li>We lead the way in increasing women's employment in the automotive industry and encourage our dealers and suppliers to do the same.</li></ul>
Mobility Solutions		<ul style="list-style-type: none"><li>We develop mobility solutions to minimize environmental impact. We include vehicles and their components, all modes of transportation, transportation infrastructures, and people's mobility habits in our development efforts.</li><li>We aim to offer safer, smarter and more accessible mobility solutions.</li></ul>
Vehicle Quality and Safety		<ul style="list-style-type: none"><li>We aim to take the lead in vehicle safety and driver assist technology R&amp;D and innovation.</li><li>We continue to provide training programs to spread knowledge about safe driving techniques.</li></ul>



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## TRADE NAME

Ford Otomotiv Sanayi A.Ş.

## TRADE REGISTRY NUMBER

73232

## MERSİS

0649002036300014

## REGISTERED CAPITAL

500,000,000 TL

## PAID-IN CAPITAL

350,910,000 TL

## LOCATIONS

### Kocaeli Plants

Denizevler Mah. Ali Uçar Cad. No: 53  
41670 Gölcük/Kocaeli  
T: 0262 315 50 00

### Kocaeli Yeniköy Plant

Yeniköy Sepetlipınar Mah.  
Derya Cad. No: 1/1  
41275 Başiskele/Kocaeli  
T: 0262 315 50 00

### Eskişehir Plant

Yenice Mah. Ford Otosan Fabrika Sahası  
Küme Evler No: 1-1  
26670 İnönü/Eskişehir  
T: 0222 213 20 20

### Sancaktepe Spare Parts Distribution Center

Akpınar Mah. Hasan Basri Cad. No: 2  
34885 Sancaktepe/İstanbul  
T: 0216 564 71 00

### Sancaktepe Engineering Hub

Akpınar Mah. Hasan Basri Cad. No: 2  
34885 Sancaktepe/İstanbul  
T: 0216 664 90 90

### Craiova Plant

Strada Henry Ford 29 Craiova/Romania  
T: +40 372 373 673

## CONTACTS

### Investor Relations Leadership

yatirimciiliskileri@ford.com.tr

### Sustainability Leadership

esg@ford.com.tr

T: 0216 564 71 00

## CORPORATE WEBSITE

www.fordotosan.com.tr